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Organized by Lindley S. Crowder in 1916, who served as its first president for two terms, the Dallas Association imbued with the internationally famous "Dallas Spirit" now has more than 900 members in the National Retail Credit Association. The inspiring leadership and growth of the Dallas Association is attributed to its wide interest in educational activities which has marked it as one of the outstanding units of the National.



CREDIT WORLD

ONLY PUBLICATION SERVING THE ENTIRE FIELD OF RETAIL CREDIT

AUGUST 1953



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long buying?



BY WHOM is she employed? To
do what? For how long? What
was her previous job?

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has the
whole
picture



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The CREDIT WORLD

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OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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CREDIT WORLD 1
AUGUST 1953

Here Is How It All Began

Earl B. Massengill

**Credit Manager, Lone Star Gas Company, Dallas, Texas
President, Dallas Retail Credit Managers' Association**

"A GROUP OF credit men met at W. A. Green & Company store on call from L. S. Crowder and J. E. R. Chilton, Sr., August 17, 1916 and it was moved and seconded that we go into permanent organization and to be known as the Dallas Retail Credit Men's Association. The time was 2:00 P.M."

The foregoing paragraph was taken from the minutes of the meeting arranged by Lindley S. Crowder, now General Manager of the National Retail Credit Association, and the late J. E. R. Chilton, Sr., through whose combined efforts and determination the Dallas Retail Credit Men's Association became a reality. Those in attendance at the initial meeting displayed enthusiasm and it was obvious that this new venture could be entered upon successfully.

A committee headed by Mr. Crowder was appointed to prepare constitution and bylaws and the meeting was adjourned subject to call when this committee was ready to report. The date of the next meeting was September, 15, 1916 at which time the constitution and bylaws were read and unanimously adopted as a whole. On this date Mr. Crowder was elected President and served the Association in this capacity until September 17, 1917 at which time he tendered his resignation to accept the secretaryship of the Retail Credit Men's National Association. The progress of the Association gained National

recognition in 1917 when the June issue of *The CREDIT WORLD* was devoted to Dallas. Intensive campaigns to educate the public to treat their credit as a sacred trust, and mutual cooperation among members was evidenced under the superb leadership of Mr. Crowder.

Many unpleasant problems were showing their ugly heads above the horizon in the early days of this new organization, and in spite of these turbulent times, membership grew rapidly. These problems were brought out in the open and common answers and solutions were arrived at which proved beneficial to everyone. In addition to the educational portion of programs, an outstanding feature of meetings was relaxation and fellowship as well as close working relations between members. The pattern designed by the organizers has continued as a rule and guide through thirty-seven years of economic variations, a World War, a depression, another World War, and the conflict in Korea.

The Dallas Retail Credit Men's Association was organized to aid trade and commerce, to reform abuses of these, and to regard credit control as a major factor in developing a sound credit structure in our country. Its members are composed of representatives of many Retail firms selling on a credit basis.

Through its connection with the National Retail Credit Association, it is affiliated with credit organizations throughout the United States and Canada. It is also an affiliate of the Associated Retail Credit Executives of Texas, organized with the help of members of the Dallas Retail Credit Association in 1921. Since 1916 the Association has met weekly, with the exception of the month of December, with programs largely devoted to discussions of common problems. For this reason it is an educational institution which opens its doors to members who desire to improve themselves in the profession of credit management. In addition it counsels with the public and encourages prompt payment of accounts and the building of good credit ratings.

Achievements of Local Association

Organizations such as the Dallas Retail Credit Managers' Association were major factors in the survival of retail accounts receivable through the depression which began in 1929. Outstanding among its achievements have been prompt pay campaigns which were started in 1917; annual schools in credit procedure, the first being held in 1930 which was conducted by experienced members of the Association and sponsored periodically since that time with great success.

This year the school was conducted by the outstanding authority on credit education and procedure, Sterling S. Speake, Retail Credit Specialist of the Educational Staff of the National Retail Credit Association. The success of these schools is outstanding under the leadership of Mr. Speake; the establishment in 1932 of an



Dallas—A Credit Leader

L. S. CROWDER, *General Manager-Treasurer, National Retail Credit Association*

IT WAS MY privilege, in the summer of 1916, in cooperation with twelve or fourteen key credit executives and J. E. R. Chilton, Sr., now deceased, to organize the Dallas Retail Credit Managers' Association. Mr. Chilton operated the credit bureau and was an active member of the National Association of Mercantile Agencies. He served as its President in 1917-18.

In 1940, J. E. R. Chilton, Jr. was elected President of the Associated Credit Bureaus of America and at the International Consumer Credit Conference in New Orleans, June 22-25, 1953, Howard G. Chilton was elected President. It is the first time in the history of ACBoFA and its predecessors that a father and two sons have been so recognized.

The father, who was a pioneer in the credit reporting field, was highly regarded and the Chilton brothers are looked upon as outstanding and progressive Credit Bureau operators.

When the Dallas Association was organized we were not aware that there was a National Association serving credit granters. It was felt that an association of retail credit men meeting weekly for a discussion of mutual problems, looking after legislation affecting credit and sponsoring "Pay Your Bills" campaigns, etc., would

prove of value to the retail interests of Dallas. Years later, and up to the present time, highly successful schools in credits and letter writing have been conducted. Excellent work has also been done along legislative lines.

Upon learning that the Retail Credit Men's National Association had been organized in 1912 and in the summer of 1916 its membership was less than 1,000, the Officers and Directors decided unanimously to make all members of the Dallas Association, National members, hoping to not only strengthen the National organization but to stimulate interest in its purposes and objectives. Dallas has continued a strong National unit, always willing to cooperate wholeheartedly with the parent organization and local associations throughout North America.

The constructive educational programs of the Dallas Association and the splendid cooperation of the credit executives, representing all types of retail credit granting and the progressive management of the Merchants Retail Credit Association, have paid handsome dividends over the years.

Congratulations, Dallas credit executives, on your accomplishments, and best wishes for continued success in the years ahead.

office through which the rehabilitation of debtors is accomplished; the fostering of an organization of credit women in March 1937 known as the Dallas Credit Women's Breakfast Club, and later, the Dallas Credit Women's Club. This club has grown steadily and is one of the most prominent women's clubs in the great Southwest. Meetings are held monthly. Outstanding credit women have headed the organization and have contributed to its success, and the club is continuing its growth under the capable leadership of its President for 1953, Mrs. Dee Jests, Credit Manager of Mr. Busters. The officers of the Dallas Retail Credit Managers' Association form the advisory board of the Club.

Four members of the Dallas Retail Credit Men's Association have been chosen to head National organizations; L. S. Crowder, the first president, is now General Manager-Treasurer of the National Retail Credit Association; in 1917 the late Mr. J. E. R. Chilton, Sr., who served for many years as Secretary, was elected President of the National Association of Mercantile Agencies, later succeeded by the Associated Credit Bureaus of America of which organization J. E. R. Chilton, Jr., was elected President in 1940; and Robert A. Ross, now Vice-President of Neiman-Marcus Company, was elected President of the National Retail Credit Association for the term 1939-1940. At the New Orleans Conference of the Associated Credit Bureaus of America in June 1953, Howard G. Chilton was elected President. This is the first time in the history of the organization that a father and his two sons have become Presidents.

Since the passing of his father, Mr. J. E. R. Chilton, Jr., has served as Secretary and has been a prominent figure in the affairs of the Association. He has been an

inspiration and guiding light since he was elected to this office. The charming Chellie Sue Bragg, a past President of the Dallas Credit Women's Club, is our capable assistant-Secretary.

The Association accepted membership application of women credit managers at an early date; however, it was not until February 23, 1946 that its title was changed to the Dallas Retail Credit Managers' Association. Credit women have earned a definite place in the organization and the value of their contributions to its progress is inestimable.

Every year throughout the history of Dallas Retail Credit Managers' Association has been eventful; however, due to limited space, it is impracticable to detail the activities of the thirty-four Presidents who have served during the thirty-seven year span since that memorable August day in 1917.

In 1950 President R. A. Jackson presented a program and proclaimed it "Old Timers Day" in honor of past Presidents and former members. The response was impressive and each year since an "Old Timers" program has been presented with great success. The year 1952 attracted twenty-one past Presidents and attendance passed the century mark. The activity of Dallas Retail Credit Managers' Association in the ensuing years will never vary from the primary purposes for which the organization was founded, credit procedure and credit education of its members and of the Retail Credit consumer.

The recommendation of the officers, directors, and the entire membership of Dallas Retail Credit Managers' Association is: If you are in the field of retail credit sales in a community comprised of ten or more retail credit merchants, organize today and reap the benefits tomorrow. ★★★



Courtesy Dallas Morning News

DALLAS—the Business and Cultural Center of the Southwest

H. M. TOBOLOWSKY

Secretary-Credit Manager, E. M. Kahn & Co., Dallas, Texas
Past President, Dallas Retail Credit Managers' Association and
Retail Merchants Association of Texas

ARTIST Bud Biggs, in collaboration with the Dallas CREDIT WORLD Committee in designing the cover of this August issue, has attempted to show pictorially the development of Dallas as a retail, oil, agricultural, industrial, and financial center on a foundation and background of sound credit.

The Committee, however, found, to present through photographic art the diversified economy which has expanded from what was originally intended to be an Indian trading post a little over a hundred years ago, would require a complete issue of *Life*; hence, this brief word picture of our Dallas.

"Nothing in Dallas is ever built big enough," once commented the late G. B. Dealey, former publisher of *The Dallas Morning News*. This startling statement is easily explained when you consider the fact that during the last eight decades, Dallas' population, now 532,000, spread over 169 square miles, has increased 54 per cent or more every decade over the previous decade, except during the 1890 and 1930 depression periods. And in those decades, there were still population increases of over 20 per cent.

Ever keeping pace with these leaps in population, Dallas' skyline has been a restless, changing, climbing silhouette against the sky. High point of present construction is the Republic National Bank's \$17,500,000 skyscraper now under way. Thirty-six stories above the ground and four below, the steel skeleton reached its full height in June, the tallest office building structure in Texas. Pushing ever onward and upward also in June began the demolishing of the five-story Andrews Building to make way for a fifty-story building being erected by the fabulous Leo F. Corrigan, the Dallas skyline king. Like the city itself, the Dallas building boom is diversified. It is still building on all fronts: residential; industrial; and commercial.

Dallas has become the business and cultural center of the Southwest—the area comprising Texas, Oklahoma, Louisiana, New Mexico, Arkansas, and Mississippi, plus twenty-six counties of Tennessee. Dallas leads all cities of the Southwest in the number and variety of manufacturing plants and distributing facilities available for supplying the needs of the retail merchants and service establishments which look to Dallas as their buying center.

The city has 1,682 manufacturers and 2,747 wholesalers. They produce and distribute everything from foodstuffs, textiles and apparel to household appliances, electronic equipment and the heaviest machinery. Wholesale sales in Dallas average two billion dollars a year.

Dallas is one of the big four fashion markets of the nation—its apparel industry sells to 18,000 retail stores in more than 3,500 cities. In 1952, Dallas retail sales totaled an estimated \$903,000,000. People within a 500-mile radius of Dallas come to the city to do their shopping in the retail stores.

"Big D," as the city is affectionately called by its neighbors, is the nation's leading export cotton market. The Dallas Cotton Exchange members average handling 2,000,000 bales annually. Hundreds of independent oil operators, many of them with interests in all the major Mid-Continent fields, make their headquarters in Dallas. The city is also headquarters for several major oil company divisions, for drilling contractors, lease and royalty brokers, and allied interests.

The volume of banking business in Dallas has always exceeded the total for any other Southwestern city. The eleventh district Federal Reserve Bank is an important factor in Dallas' growth as a financial center, but the basic reason for Dallas' leadership in banking business is the concentration here of a majority of the Southwest's distribution facilities for consumer goods.

The city ranks as the nation's third largest insurance center. Fifty legal reserve life companies have their home base in Dallas. Giving sound direction since 1897, to Dallas' outstanding ratio of credit sales (approximately 70%) to total sales, has been the Merchants Retail Credit Association founded by the late J. E. R. Chilton, Sr., a national pioneer in credit bureau activity. Always a leader in new developments in this field, the business is now being conducted by the sons, Ed and Howard Chilton; a glimpse at the operation of this facility may be found in the Article "The Rating Book, Today's Most Valuable Credit Tool" in this issue. ★★★

Do You Want a Raise?



It is easy to get a raise if you know how. And the know how is contained in "How to Collect Installment Accounts," by Samuel W. Guggenheim, a 70-page cloth bound book, chock full of letters and sound advice, telling you how to collect installment accounts and open accounts.

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NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Ave. St. Louis 5, Mo.

Professional Trends

Miss Lilas Barker

Credit Manager, Dr. Joseph H. McCracken, Jr., Dallas, Texas

THE PRACTICES of medicine and dentistry had their beginning not for the monetary gain but chiefly a desire to aid suffering humanity. This was particularly true of the doctor of medicine who kept his services always available and with little or no thought of the economic factor. So many of the doctors would render services but only occasionally a bill. It was the assumption of these great pioneers of medicine that virtually everyone was honest and many times they were paid in livestock, vegetables, and often a "trade-out" in work. This was true because many of the earlier practitioners had land and other rural interests which made this sort of dealing possible. Such was not quite true with the dental profession, in that they had an immediate outlay of expense which necessarily came out of their pockets rather promptly. As a result, the dentists had to adhere more closely to the economic side of practice. Needless to say, the economic factor in the practice of the professional group was badly neglected and virtually all accumulated huge amounts in uncollected accounts.

As the years have gone by, there has been a gradual transition in professional practice and this transition has of necessity been brought about by the total indifference of so many to their obligations, to both the doctor and dentist. It has taken many years for this change to occur but each year has brought a gradual and keener insight as to collection problems. It finally seemed to dawn on the professional men that they, too, had to have money to meet their obligations and to live. Even with this gradual change in practice, there has never been a worthy or needy individual who did not receive adequate care, regardless of his ability to pay. The professional side of human endeavor has already approached the same problems that confront the merchandising field. This has been occasioned not by the professional group but, as stated before, by the complete indifference of so many individuals to their obligations. For much too long it has been said that professional accounts are different. This is true only in the sense that we sell intangible service and one that can never be repossessed. The professional man should be considered on a thoroughly equal basis with any individual or firm that grants credit and these must be actually correlated. The new amendment passed last year by the Merchants Retail Credit Association, stating that professional accounts should be regarded in the same light as mercantile accounts, is certainly a big step in the right direction. Some good results have already been noted and it is my sincere belief that the future will bring even greater benefits.

The present trend in medicine and dentistry, too, is to somehow place such services in the category of a commodity. Of course, this is ridiculous, for the personal and individual element is as powerful today as it was many years ago. The attitude of some people that a doctor is a doctor, a dentist is a dentist, and that all are virtually equal and of the same status, contributes sometimes to accounts becoming past due. Naturally, this also is absurd and could never obtain in such a noble

profession any more than it could obtain in all commercial commodities. Another thing that lends to this, perhaps, is that medical men are paying remarkable attention to the economic side of practice, and by this I mean, credit is becoming tighter of necessity and a definite understanding with patients has been necessary. It stimulates collections and maintains good will to talk finances with every patient before services are rendered and then they know what they will pay and just how it is to be paid. This is not to be construed as a brutal digression on the part of the professional men but more as a business demand. Our changing world today makes innumerable demands upon the doctor and they in turn must meet their obligations. To make the whole problem a simpler one, it is just that professional practice is a business, and credit organization is becoming essential in every transaction. Every professional man realizes that the financial side of his business must be considered entirely separate from the professional side. These two are so closely related, however, that either will suffer if the other is neglected. Patients, like customers of commercial firms, must be pleased, and services must be beyond reproach if collection percentages are to remain high. In no other field is there greater opportunity for people in credit work to become more proficient than in the professional field. There is also tremendous satisfaction in dealing in human relations where your firm is selling the most priceless of all commodities, *good health*. ★★★



Dallas Converts Past-Due Accounts Into Prompt-Pay Customers

W. H. BAILEY, Creditors Service Bureau, Dallas, Texas
Auditor, Dallas Retail Credit Managers' Association
Past President, Retail Credit Executives of Texas

NOT TOO many generations ago, the man who owed and could not pay, went to prison! And there he stayed, unless some sympathetic relative or friend discharged the obligation. Many died in jail and went to a pauper's unmarked grave. That was the British common law of the times!

Soon it was learned that business suffered under such tactics. There was no lasting financial gain in cruelty or revenge. Credit very properly settled down to a business problem, and when legal action became necessary, it was transferred from the criminal to the civil courts. And that is where we are today, still beset with many problems, the most important of which is to keep the debtor credit-worthy and thus continue a profitable relationship.

Necessity is still the mother of invention! And Dallas, a great retail and distributing center, has found a new and most useful approach to the old problem of how to keep a debtor credit-worthy; how to ease his mind; to retain his friendship; and, best of all, how to retain the name of a useful, and again profitable, customer on the merchant's books.

Too good to be true? It does sound that way, but it works! And it has been working for a period of years in fabulous Dallas. Trial and error have produced minor changes and refinements, but the basic plan remains unaltered, and the merchants are happy. The credit execu-

tive wears a smile to displace his perennial frown, and ulcers are unknown. Business booms, and the Dallas records of retail sales maintain high levels when the balance of the country may be showing a decline.

Back in 1931, in the depths of the depression, Dallas merchants, in common with businessmen everywhere, had many credit problems. Frequently, those who had been the most excellent credit risks found themselves unable to pay. More and more accounts became past due. Collections were skimpy, and the credit man's popularity sank to such a low estate that his welcome was comparable to the roach in the lunch box. Meetings were held frequently! Credit men swapped information on past due accounts, and the news was all bad. Nobody liked anybody else, and all retailers were in trouble. Something had to be done! Ulcers were in their heyday.

Out of the welter of luncheons, "credit sessions" and committees, finally came leadership and ideas. The department store group stepped to the front, calmly surveying the accumulated mass of notions, suggestions and memoranda. The actual credit information was reduced to understandable and usable shape. It was placed on 8½ x 11 inch sheets which was a well developed form that could show everything worth while at a glance. Plain coded letters took the place of long-winded statements explaining why John could not or did not pay, and why Sally was overextended in her credit to all merchants in town, and the doctor and the dentist too.

No credit man then, or now, wanted to take any action that would offend the customer if there was a chance for payment, or for re-establishing his credit. It was recognized that illness and accident, loss of jobs and many other factors, were contributing influences to the poor collection picture. Most people really wanted to keep their word, and to maintain a good credit record.

Just where to start posed an important question. Finally, it was decided that an account four months past due was a reasonable opening point for a direct and concerted action. The auditor of the department store group began dividing the alphabet into sections, and with his assistant visited the department stores to assemble the credit standing and other pertinent information of all accounts four or more months past due, whose names fell in the A to D section, for example. When that group was completed at all stores, the next alphabetical group was started, and finally the information was completed, except for revision as names were added to, or dropped from, the various stores' credit files.

All this "leg-work," visiting the credit departments of the various merchants, is now a thing only to be remembered. A small amount of mental ingenuity has produced a simple paper substitute for all the former long marches from store to store. A small "ticket," no larger than a business card, carries the name, home and business address, amount owed and the dates.



This "ticket" business is important to the complete picture. They are prepared by the individual merchants at the direction of the auditor's office each week, after all are notified concerning what portion of the alphabet is to be reviewed. No tickets are made on accounts under four months of age, except in unusual cases of overextended credit, and other extreme situations. Four small squares, each to be checked by the merchant's credit manager, reflect the story. The first two indicate whether or not a letter is to be sent by the auditor. The third indicates delinquency with more than one merchant, and a letter to the debtor is mandatory. The fourth indicates the necessity of a personal visit. Finally, any special matter is written on the back of the card.

All this has entailed the careful preparation of "stock" letters to be sent to past-due accounts. All are usually individually typed to escape the "form" letter bane. And, they do the job!

Further results? Weekly meetings are out! For more than twenty years, weekly sessions of credit managers were held to swap information on an average of about four hundred past-due accounts. As each name was called, every member present had opportunity to explain his experience with the account, as well as any current amounts owed to his store. All this was noted on the audit form. Too much discussion produced small results. The "ticket" was the answer to the problem. It carried all the essential information and eliminated excess labor and hours of chatter.

The auditor's office is actually just another, and final, place to handle past due accounts. Although member stores give instructions, the auditor is charged with the responsibility to handle each case in the same cooperative manner as the original credit manager. The auditor, too, wants to retain the customer's good will, even though he is badly involved financially. He appeals to Mr. or Mrs. Customer on the basis of their credit record, and a willingness to improve it. Merchants have learned that most people are credit-wise, and realize the importance of a good credit standing.

Early in the operation, in 1932, several merchants realized that many accounts could be collected through their own local banks on their own endorsements. The plan did not meet unanimous approval when first presented. Within a few months, all who had objected to endorsing notes, limiting responsibility to the amount of their own claim, wholeheartedly joined the movement. And it is working!

The auditor's problem is to enlist the cooperation of the past-due customer. All merchants now gladly endorse these limited liability notes. They cannot lose, and they know that each case has been carefully reviewed, and that the use of a bank is the answer.

All details are handled in the auditor's office. The merchant's time is conserved, and only the auditor has the complete information to supply the detail required by banks before such a loan can be arranged. He sees the customers personally, either in the auditor's office, or in the home or place of employment. The auditor gets all the facts. Frequently, it is found that he owes doctors and dentists, neighborhood grocers and others who are not association members. These outside creditors want

their money, too! They join the merchants willingly, endorse immediately, and the bank pays all accounts in full.

How does it work? Mrs. Customer's husband is called to the Army, leaving her with unpaid bills. They owe two or three department store accounts, are up to their ears with the grocer and the local garage. She has two babies, a home to care for, and only a limited income. She wants to pay, but she does not know how.

The total obligations are \$500.00. Each creditor endorses for the amount of his bill. Mr. or Mrs. Customer signs this limited liability, installment note, prepaying the interest at legal bank rates. The bank sends a check in full to each endorser. They cannot lose! The customer makes a weekly or monthly payment to the bank, and in twelve or twenty-four months is free of debt. Everybody gets paid. Their credit standing is maintained; self-respect is preserved, and lawsuits and personal embarrassment are reduced to a bare minimum.

In the past ten months alone, more than \$118,000.00 has been collected by the merchants of Dallas through this method, covering 142 people. Everybody is happy! Even the banks like the arrangement, and the merchant is happiest of all. Anyone can do it! People in financial trouble are mostly honest people in the grip of circumstance and misfortune. They work with Dallas merchants to protect themselves and to maintain their place in the community.

That is how past due accounts are handled in famous Dallas. Maybe this credit-saving "gimmick" is one of the reasons for the outstanding growth of Dallas as a retail center. ★★★

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The Rating Book—Today's Most Valuable Credit Tool

Fred C. Marth

Secretary-Credit Manager, A. Harris & Company, Dallas, Texas

CREDIT MANAGERS everywhere realize the importance of being in position to pass on charge account applications quickly. We understand fully that this being our first contact with the customer, a lasting impression is formed by the manner in which the transaction is handled. No matter how courteous the reception may be or how helpful the attitude of the credit manager or of his assistants, an unnecessary delay in passing on the account is irritating to the prompt-paying customer who knows her credit record is satisfactory.

How often have we run the risk of creating ill will for our store by such unnecessary delay. Every customer is naturally proud of having established a satisfactory credit record by paying her bills promptly. Such a customer is certainly entitled to have a credit application o.k.'d immediately. She feels that it is the business of the credit manager and members of his department to be familiar with the manner in which her accounts have been paid at other stores in the city and that this information should be at his finger tips.

When credit applications are made at several stores in the city, it is usually the one that accepts the account first who receives the customer's future business. Often in reply to inactive accounts' soliciting letters, one of the chief complaints of the customer is that there was entirely too much delay in opening the account and another store, who acted promptly, is held up to us as an example of efficiency and customer service.

The question that naturally comes to your mind now is, "What can be done about a situation of that nature?" We, in Dallas, are fortunate in that our Credit Bureau issues a Rating Book and maintains it on a current up-to-date basis. For those who may not be familiar with such a book, here is briefly outlined how it operates: symbols, such as letters or numbers appear beside the name. These symbols indicate the worth and paying habits of the customer as established over a period of time. For instance, the figure 1 beside a rating indicates that this person is reported good for \$1,000.00 at several places for personal accounts on thirty days' time and estimated worth over \$25,000.00 and perfectly good for all contracts. The rating 3 is "Reported good for \$100.00 to \$200.00 at several places for personal accounts on thirty days' time; have a good income and have always taken care of their personal accounts." The figure 7, "Reported good for \$5.00 to \$15.00 at several places for personal accounts on thirty days' time; most cases financial worth and income small," etc. A name without a symbol indicates that the credit rating is either unsatisfactory or insufficient and a credit report is recommended.

The first Rating Book in Dallas was published by J. E. R. Chilton, Sr., father of the present owners, in the year 1897. At that time there was no book of its kind in the United States. It might be interesting to know how it originated.

When Mr. Chilton started his business at the request of the late W. O. Conner, who was then the General

Credit Manager for Sanger Brothers, he kept his credit records (information) in a small alphabetical book which he carried with him on his morning trips to the downtown merchants. He would clear personally through every merchant member and record their experiences in this book. In the afternoons he would report personally his findings back to the inquiring merchants. One day Mr. Chilton was stricken with illness. His book was at his home and there was no telephone at his residence. This, of course, placed the merchants in a difficult position and Mr. Conner suggested that Mr. Chilton make a copy of his rating book for every member. That was the beginning of the publication of the rating book. At the time, it was called the Annual Report. Later, in 1902, the name was changed to Rating Book, and still later, the "Red Book" because of its red cover.

It should be borne in mind that the Rating Book, as published by the Merchants Retail Credit Association, differs from the Rating Book published by Dun & Bradstreet in that the ratings are the summary of the annual reports made by members on their customers, plus financial and antecedent information that the Association, upon request, records of the paying habits of its customers. Until 1930 the Rating Book was published on an annual basis, but as the town grew it became an impossibility to issue it within twelve months; consequently, the publication date was changed to every other year. At present, it is published in sections, with complete publication scheduled on a twenty-six-month basis. Ratings are changed each month by the employees of the Association. Prior to 1953, employees of the Association called at each member's place of business every month and personally made changes in ratings that had occurred during the previous thirty days.

In addition to this, supplements containing names of additions to the Book are published every six months. Since January, 1953, the Rating Books are brought into the office of the Association to be changed and an up-to-date Book is left in its place. At the present time, there are 1,056 Rating Books in use. The present Book, in-

FRED C. MARTH has been connected with the Credit Sales Department of A. Harris & Company, Dallas, Texas, since September, 1918, first as Assistant Credit Manager and for many years, Credit Manager. Prior to that date, he was in the credit office of Sanger Bros., Dallas, for eleven years, making a total of forty-five years with only two firms in department store field. He is past president of the Dallas Retail Credit Managers' Association, Retail Merchants Association of Texas and the Retail Merchants Association of Dallas. He is also a past director of the National Retail Credit Association.

cluding supplements, contains 212,695 names of individuals. We should also remember that a rating in this Book is not merely a file report, but is an up-to-date report within thirty days maximum. The "rater," in analyzing these reports, corrects spelling of the name, secures full name, and wife's correct name is verified. The occupation, position and income are also checked. All antecedent information is reviewed and if it shows no report from every town in which the individual has resided since the age of 18, new reports are secured at the expense of the Association, the result being a complete credit history of the individual.

After a credit rating has been assigned, the full name, occupation, address and credit rating, as well as personal and rental property, rendered for taxation in the County, are written in the master Rating Book. When the entire section has been completed, it is double checked with the original records by individuals who did not assign these original ratings. This, of course, is for the purpose of catching mistakes, either clerical or in judgment. A supplement is issued regularly, this supplement containing the names of people on whom the Association has obtained credit reports since the last section of the Book was published. These names go through the same rating procedure as is used in the regular Rating Book department. A quick look and the customer whose credit rating is satisfactory may safely and quickly be informed that her account is being established and that she needs only to select her merchandise, present her Charge-Plate, or simply say, "Charge it" and the merchandise will be immediately delivered. If the Rating does not meet our standards or if it is blank, we need have no hesitancy in informing the customer that she will be notified as soon as the necessary report has been secured from the Credit Bureau.

How often have we thanked our lucky stars that such a Book is at our disposal. A glance reveals all that we need to know for the time being. The account can either be accepted without hesitancy or action postponed until the report has been secured. Always a most important problem in Credit Department operations is the reduction of costs. With rising costs over a period of years, together with personnel which, as a whole, is not as efficient as in years past, it has become indeed a serious problem, one that must be faced and solved, but naturally not at the expense of customer service.

Up-to-date reports are costly and such costs have steadily increased. The opportunity, then, of reducing such expenses, at the same time retaining an efficient organization, is indeed a welcome one. We have found that such expense can be considerably reduced not only by the use of the credit Rating Book but also by securing only file reports on many accounts rather than requiring a complete up-to-date report on each and every application. While much progress has been made in every department in our stores, methods used in connection with credit reporting seem to have remained practically the same as those employed many years ago.

One can safely assume that once a good credit rating has been established, it will be taken care of and maintained on a satisfactory basis. The Credit Manager of one of our larger stores once aptly said, "A leopard



doesn't change his spots too frequently; therefore, why should we go to the expense of securing an up-to-date credit report on every applicant, especially on those who have enjoyed a satisfactory credit rating for over a period of years?"

For some time now we have found that file reports are entirely sufficient on practically all applications. If we find that such a report is incomplete, or contains insufficient information, an up-to-date report can always be secured. It seems it would be safe to assume that the habitually prompt-paying customer is still paying his bills promptly, especially since we know that the Credit Bureau keeps an active finger on his pulse, and any change in his paying habits will be quickly recorded in its files.

In addition to the considerable savings accomplished by the above, there is also to be considered the time consumed in typing hours in the Credit Bureau. Also the money saved in the reams of paper in writing such unnecessary reports over and over again is an important item which expense will eventually have to be borne by us. Not the least in importance also is the value of the Rating Book in credit promotion work. Those listed in the higher brackets are certainly a fertile and desirable field for such work. An account can safely be established for them and they be so informed and invited to use the account at their convenience.

Such soliciting work may go on continually as new ratings are furnished by the Credit Bureau. Another important use of the Red Book is for identification purposes in accepting checks for cash or for merchandise from customers not known to us. It is a benefit to the bookkeeping department as well, often enabling them to properly identify a charge and thereby post it to the correct account. ★★★

Organized Skip Tracing

J. FOSTER, JR., *Credit Supervisor, Kenyon Auto Stores, Dallas, Texas*

WHEN A customer's account becomes past due and his whereabouts is unknown, whether intentional or not, he is classified as a "skip"; the process of locating the customer is commonly referred to as "Skip Tracing."

Skip tracing involves some difficult problems, such as:

1. What to do to locate the customer?
2. What has been done up to a given time and what can yet be done?
3. Where can space in the records be found to note each effort expended to locate the customer?
4. How can untrained clerks be guided to begin immediately effective skip tracing?

The skip trace record form illustrated on the opposite page represents an effort to provide a solution to the above problems.

As soon as it is known that a customer is a skip, a Skip Trace Record is initiated and each action described thereon is done with the clerk noting in each block just what was learned together with the exact source of the information. The use of the regular collection record is suspended until the customer is located and actual collection work is again resumed.

The arrangement of the form shows at a glance without analyzing a mass of detailed entries what has been done and what can yet be done to locate the customer. Space, ordinarily inadequate on the usual collection record, is provided on the Skip Trace Record to record all of the work done together with pertinent data developed in the course of the skip tracing process.



The step-by-step program set forth in logical sequence on this form enables an inexperienced clerk to proceed in an efficient manner to unearth the clues most likely to obtain results. It proves to be a time saver for the supervisor of a credit department because the helpers can proceed to skip trace with a minimum of direction.

Message from Past President Meyer

It was impossible for Past President Leopold L. Meyer to appear on our program at the New Orleans Conference June 24, 1953, because of illness. His telegram was read by President Frieberg at the morning session, June 25, 1953 and created considerable comment; some agreeing with Mr. Meyer and others taking an opposite view.

While the Conference, at the morning session, June 25, 1953, voted against government credit controls, many members present agreed with Mr. Meyer that credit terms should be tightened and that many firms, in the past year, had resorted to advertising unsound terms in an effort to build sales. Some thought that this would hasten the imposition of credit controls, probably administered by the Federal Reserve Board. His telegram follows:

"It is most regrettable that I was forced to forego my visit with my many good and old friends but I am sure Mrs. Meyer explained my predicament. Please convey my regrets as well as my apologies for failure to appear.

"Although I contemplated a review of the history of the Association which I believe would have been of considerable interest more particularly to the younger members in the Association, I nonetheless had a message which I considered of tremendous importance and which I wish you would convey to the convention.

"I recall to you respectfully that two years before the depression of 1929, in an address before the National Retail Credit Association, I predicted a credit collapse and the records from Wall Street on down reflect this fact. I now predict no depression but a very bad recession unless credit curbs are invoked. I am hopeful that regulation will be reinstated to protect merchants against themselves.

"With private debt at 302 billion against 277 billion a year ago and with instalment debt at 19.7 billion against 14.5 billion a year ago, I consider the situation alarming. I admit that personal income is nearly 17 billion higher than it was a year ago but with almost positive assurance of a truce in Korea which appears likely, to say the least, not only will overtime be eliminated but unemployment will likely rise to between three and four million during the period of adjustment.

"Consumer demand has slackened and will likely taper off measurably by the end of the year as a result of which merchants will experience severe losses unless inventories are very scientifically reduced and fall buying cautiously supervised.

"The credit man has a magnificent opportunity to come into his own again as an important person in his organization and I extend to him the challenge to meet the situation by a courageous stand with the executive heads of his business. I am speaking not as an alarmist but rather as a merchant educated in the field of credit who will approach the last half of the year with caution and concern even if not with fear.

"Please convey my affectionate regards to my many good friends. Devotedly, LEOPOLD L. MEYER."

SKIP TRACE RECORD					
FOLLOW EACH THREAD OF INFORMATION LIKE A DETECTIVE					
CUSTOMER'S LAST NAME, FIRST MIDDLE					
DATE	ACTION TAKEN BY	ACTION TAKEN	PHONE NUMBER	TALKED TO	REMARKS
		HIS EMPLOYER - TEL AND TALK TO SUPERVISOR OR PERSONNEL DEPARTMENT			TRADE REFERENCES - TEL AND GET GENERAL INFORMATION AND TRADE REFERENCES YOU DON'T HAVE. FOLLOW THESE LEADS UP.
		INFORMATION OPERATOR - DIAL TSS, ASK FOR NEW LISTING HAS OR HER NAME.			
		HER EMPLOYER - TEL AND TALK TO SUPERVISOR OR PERSONNEL DEPARTMENT.			
		HER MOTHER AND ALL OTHER RELATIVES - TEL OR SEND "SKIP LETTER".			NEIGHBORS - LOCATE THRU CRISS-CROSS, TEL 1 ON EACH SIDE 2 ADDRESS STREET, 2 ADDRESS BACK ALLEY. TEL OR SEND "SKIP LETTER".
		PERSONAL REFERENCES - TEL OR SEND "SKIP LETTER".			
					HIS FORMER EMPLOYERS - TEL
					HER FORMER EMPLOYERS - TEL

ASK ONE MORE QUESTION

DATE	ACTION TAKEN BY	ACTION TAKEN	PHONE NUMBER	TALKED TO	REMARKS
		FINANCE CO. ON BANK REFERENCE - TEL OR SEND "SKIP LETTER"			NEIGHBORHOOD MERCHANTS - LOCATE THRU CRISS-CROSS AND STREET MAP. CHECK AREA IN VICINITY OF RESIDENCE.
		HOUSING PROJECTS - IF ADDRESS IS A HOUSING PROJECT CALL PROJECT OFFICE FOR CUSTOMER'S ADDRESS.			SCHOOLS - TEL NEARBY SCHOOLS WHERE CHILDREN MAY BE STILL ENROLLED.
		TELEGRAM - SEND TO LAST ADDRESS, HAVE WESTERN UNION SEND "DELIVER TO ADDRESSEE ONLY" AND TO NOTIFY US WHEN DELIVERED AND ADDRESS WHERE DELIVERED. SHOW BELOW THE ADDRESS WHERE TELEGRAM SENT. (USE ONLY FOR BALANCES OVER \$25.00)			LONG DISTANCE - PLACE PERSON TO PERSON CALL TO HIM OR HER IN CASE TELEPHONE CALLS - IF EACH PLACE WHERE THEY MAY BE LOCATED (IF MOVED TO ANOTHER CITY). ALSO PLACE PERSON TO PERSON CALL TO EITHER OR BOTH OF THEM IN CASE OF THEIR PAROLES (IF PAROLES LIVE OUT OF BALLAST). PLACE THESE CALLS BY GIVING YOUR NAME AND THE STORE TELEPHONE NUMBER. NOTE ANY REMARKS GIVEN TO THE OPERATOR BY THE PARTY ON THE OTHER END OF THE LINE. NOTE: EVEN IF YOU KNOW THE CUSTOMER ISN'T THERE, CALL ANYWAY. INFORMATION IS FREE AND MAY BE INVALUABLE.
		REGISTERED - SEND TO LAST ADDRESS MARKED "DELIVER TO ADDRESSEE ONLY. PLEASE FORWARD, RETURN RECEIPT REQUESTED, SHOWING ADDRESS WHERE DELIVERED". SHOW BELOW THE ADDRESS WHERE LETTER SENT. (USE ONLY FOR BALANCES OVER \$25.00)			
		CREDIT REPORT - GET NEW CREDIT REPORT FROM THE CREDIT BUREAU. NOTE ON THE BACK OF CREDIT INFORMATION EVERY FACT, SUCH AS REFERENCES, REAL ESTATE, PARTNERS AND RELATIVES AND ANYTHING ELSE, THAT THE CREDIT BUREAU MAY HAVE. FOLLOW-UP THESE LEADS.			
		SKIP LETTER - SEND ADDRESSED TO "SQUAD" OF CUSTOMER'S FORMER ADDRESS AND TO ANYONE WHO MIGHT KNOW CUSTOMER'S ADDRESS			
					CREDIT BUREAU - CALL CREDIT BUREAU AND ASK FOR "LOCATE DEPARTMENT". ASK THEM TO SKIP TRACE THE CUSTOMER FOR YOU.
					CREDIT CUSTOMER CONTROL NOTICE - SEND TO THE CREDIT BUREAU MARKED "ADDRESS WANTED"
					SKIP CARD - PREPARE AND SEND TO THE OFFICE.
		TRADE UNIONS - TEL WHATEVER UNION THAT HE MAY BE A MEMBER OF.			COLLECTION AGENCY - AFTER EVERYTHING AS OUTLINED ABOVE HAS BEEN DONE AND THE CUSTOMER HAS NOT BEEN LOCATED - TURN THE ACCOUNT OVER TO THE COLLECTION AGENCY THAT HE IS PRESENTLY USING.

The Public Utility Credit Manager Has No Problems?

E. C. PAXTON, *Credit Manager, Dallas Power & Light Company, Dallas, Texas*

IN THIS great land of America, we are privileged to own and operate many different types of business enterprises, organized for various purposes. To mention only two: Charity institutions, organized to serve the public *without profit*; and privately owned public utilities, organized to serve the public *at a profit*, but only after service has been rendered. All public utilities render services essential to public welfare and comfort and through regulation by proper governing authorities, a substitute for the competition of other types of business, the public makes sure that these services will be: available to all; in sufficient quantity to satisfy all demands; of high and improving quality; and at a reasonable cost.

After all of this, perhaps a profit may be made, but many things are necessary before a public utility can expect to realize a profit. Adequate rates and efficient equipment are essential but most important to any privately owned public utility are the satisfied customers it serves. Although it may be possible for a privately owned public utility to have a profitable operation with many of its customers dissatisfied and displeased with the company's policy, it is certainly not practical and sooner or later enough dissatisfaction will force a change in management.

Public good will is not an accident but is the result of careful planning and constant effort. Of course, the utility must render good service and the rates must be attractive, but of equal importance is the practice of winning and keeping friends. Personnel handling customers'

business must be aware of the constant need for good customer relations in their daily work. Management may lay down the best policies possible, designed to promote good customer relations and build good will, but unless these policies are understood and used constantly by those handling customer contacts, the results will not be obtained.

While every department in a public utility has a responsibility and opportunity to build good public relations, the credit and collection department has the greatest opportunity. Each day the personnel of this department contacts great numbers of customers and the opportunities and challenges are numerous for those employees to do their work in a manner that will win public understanding and support. Probably no other company representatives meet the customers under more difficult circumstances, on certain occasions, than the employees of this department. They make the initial contact with practically every new customer, and each month they interview thousands of customers who change their addresses, leave the city, are past due in payment of accounts, or who call or come in to discuss their service charges. This work is largely on a personal basis and, because a man's credit and his pocketbook are involved, real skill is required to handle it successfully, but when properly carried out, it pays big dividends in gaining the good will of customers and in creating good public relations. Therefore, it is logical to consider the credit and collection department as a real builder of Good Will. As a matter of fact, management of every privately owned public utility expects those responsible for the operation of the credit and collection department to constantly work toward a more friendly and effective policy, sound enough to prevent undue losses and yet maintain individualized effort in their contacts which will promote good will between the customer and the company. The credit man must be an unusual individual; he must possess a large portion of common sense; be able to say "no" or "yes" with a smile and with no sign of reluctance; and above all say "thank you" with real meaning. He must be a real ambassador for the public utility in dealing with its customers.

Let us see how to build good will when handling a prospective customer's request for credit in the use of service. Public utilities must serve all customers on credit, but of course a deposit can be requested to secure payment of the account. Then the problem becomes: "From whom shall a deposit be requested?" From all customers? No! That would not only be a needless interest expense in many instances, but many customers with good credit records would be offended if asked to make a deposit, so the credit manager must use his judgment and weigh the credit information gathered through the credit bureaus and the experience of the customer with other utilities perhaps, and decide if the risk of a final loss of a service account would be greater than the loss of good will if he made an error. If the applicant objects to paying a deposit the credit manager has a real



opportunity to make a friend for the company by selling him on the idea of improving his credit record so that an early refund can be made. Of course, these are things to be governed by individual company policies. However, it is true that the customer's first contact with the public utility is usually through the credit personnel as he asks for service and his impression of the company might be measured by the performance of the individual contacting him as he seeks service.

And how do *profit* and *good will* tie into the item of collections? If collections are poor and losses high, profit will be seriously affected, and if collection methods are harsh and unreasonable, good will will be lost. All collection effort has something to do with the customer's pocketbook and that is a sensitive subject and one that can easily cause offense, justifiable or not. The most careful consideration must be given to the method used by the utility to obtain payment of its service accounts and an effective, yet friendly, policy must be devised that will obtain maximum results with the least impairment of good will. Fortunately, the majority of public utility customers pay their accounts promptly; however, there is always a small but important group that pays slowly because of carelessness, sickness, or for various other reasons, and great care and individual treatment must be used to effect collections from this group.

In many utilities the credit and collection department handles customers' grievances and adjustments and here again are found numerous opportunities for good-will building. Patience, skill, understanding, and the ability to see the customer's point of view are necessary qualifications of the personnel engaged in handling these contacts. Complaints usually fall into three broad classifications: (a) the legitimate complaints—easiest of all to handle since errors, mistakes and faults in equipment can be easily and gracefully admitted and adjustments allowed; (b) the fancied complaints—more difficult to handle, but tact, patience and above all, salesmanship can turn this type of complaint into a real good-will builder; (c) the unreasonable complaints—most difficult to handle but still not always a lost cause. Courtesy and friendliness, and again salesmanship, can thaw out the most frigid customer and win his friendship.

"The privately owned public utility credit manager has no problems." Many, many times that statement has been made and many people in and out of the credit profession believe it to be true. "How wrong can they be!" Of course, security deposits could be required from all customers large enough to eliminate all risk of loss whatever, and the services of past due customers could be cut off promptly to ensure collection of all accounts. Under such an extreme policy, a credit and collection department would not be required or needed, and public relations and good will could be forgotten. After a while it would not make any difference because someone else would be operating the business. The privately owned public utility credit manager *does* have problems. He must cope with most of the problems common to the credit profession. He must ever be conscious of the company's need for good public relations. He must work diligently to hold and increase customer *good will* and last but not least, he must try to preserve the company's *profit*. ★★★

Building Sales on Complaints

Mrs. Dee Jestis, Credit Manager, Mister Buster Studios, Dallas, Texas
President, Dallas Credit Women's Breakfast Club

REGARDLESS of the type business one is in, we are all faced with complaints and the problem of how to handle them. We seldom appreciate a customer's making a complaint but we should look upon these as golden opportunities in building sales and handle them in a manner to give that customer assurance that we are still interested in his account.

When I first entered the credit field, my boss told me to always remember that volume could be built on complaints. I was new in this at the time, and it all seemed so unnecessary to me, but I have learned through experience that this is certainly a true fact, and you can build sales on complaints.

Since we are in the decorating and custom-made furniture field, it is so easy for us to get to know our customers rather well, and we make a practice of inquiring if there is a complaint and if our merchandise is satisfactory. We try to show a personal interest in each customer.

Generally speaking, most complaints are legitimate, and to that customer it is an important problem. To us, it may seem minor, but we must never show this by our attitude. Perhaps, and in most cases, we find this to be true in our firm, a complaint will require only a minor operation in our shops to correct. For instance some time ago Mrs. J called into the office complaining of a bed we recently had made for her, with metal frames attached. Her complaint was that she could not roll the bed easily. We discussed this with her salesman, who immedi-

(Turn to "Building Sales," page 23.)



Measuring Your Progress

R. A. JACKSON, *Charge Sales Manager, Volk Brothers, Dallas, Texas*

YOU HAVE observed the manager, soon after each month's closing, anxiously watching the controller for the "figures." How eager he is for the sales volume, expense percentages, net profits, cash position, etc. The following comments suggest certain data to supplement the auditor's report and the value to be gained by so doing.

What an opportunity for the charge sales manager to improve his own position by supplementing that audit report with vital facts from the credit department. Certain data not contained in any audit report are equally as valuable to management in evaluating the department's efficiency and aggressiveness. Obviously, the manager of charge sales is in the best position to supply these pertinent data. Also, it is in his own personal interest to do so.

Since top management is accustomed to reading the auditor's exhibits and reports, there is an advantage in following that general form in a report on the charge sales department. Here are some suggested exhibits which will be discussed in the remaining paragraphs.

- A. Credit Sales Volume
- B. Value of Receivable (per cent past due)
- C. Collection Ratios
- D. Volume of Plus Sales

Usually the department showing increased volume is favored with budget advantages as well as management's commendation. It may often occur that the auditor's report will indicate a sales decrease while actually charge sales may have increased. This is due to certain factors

favoring charges in relation to cash sales. Therefore, the value of an exhibit of credit sales volume may indicate that your particular department is doing well whereas the total sales have decreased. In addition, the trend of charge sales, as compared with the same month in prior years, together with the total for the year to date, affords an interesting study. It is highly important, if possible, to show in the exhibit the comparatives for a five-year period.

The valuation of receivables is of utmost importance. Much has been written about ageing receivables. Often the ageing is omitted as a time saver. Any yardstick, if used consistently, will indicate the comparative trend. Therefore, for economy, an adding machine tape of total past-due accounts, expressed in per cent to total accounts, is highly satisfactory. This does show the trend when compared with prior months and prior years.

The month's collection ratios compared with prior months and with last year's figures for the same period are a most helpful guide. In addition, collection percentages from the other merchants in your own city and in the same line of business will point out any lack of efficiency in your own collection procedure. Such an exchange by merchants often can be arranged through the credit bureau, who would receive the figures to be tabulated and exchanged. This could be in code if desired. Usually such figures are considered highly desirable and most merchants will be eager to cooperate.

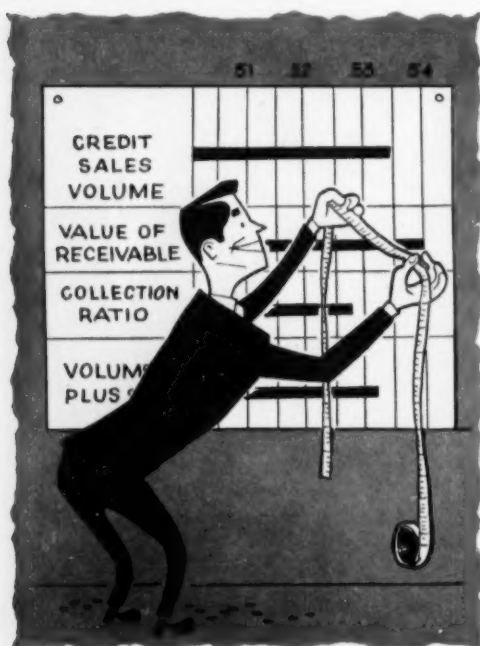
Another exhibit for the report, and most important of all, from the charge sales manager's standpoint, is an exhibit of volume of plus sales obtained through initiative or extra effort of the charge sales manager. Increased volume is the acme of all business effort.

Obviously, a well trained clerk or interviewer can handle many of the credit applications that the average stores receive such as:

1. Applicants who come to the office
2. Those who telephone
3. The relatively few by letter
4. Those who just sign a ticket
5. From the store application blank on the sales floor
6. Salesperson's introduction
7. Mail Order
8. Newspaper ads for accounts

The above, of course, require that usual courtesy, sales ability, and tact in selling the store's policy, terms, etc. This can be done by any well trained clerk or interviewer. The additional or plus business comes from the many accounts that can be secured in the various methods in addition to those above suggested.

Such additional methods would be those sources discovered and developed through the initiative of the charge sales manager. This may include a personalized letter extending an invitation to open an account with an application blank enclosed. Much of the success depends upon the letter; its appearance and personal appeal, together with the application blank that requires just enough



POSITIVE AND NEGATIVE As It Applies to Credit

CLAUD WALKER

Credit Manager, Titche Goettinger, Dallas, Tex.

THE FAMILIAR song, "Accentuate the Positive, Eliminate the Negative," cannot always be applied in this order in credit work. Credit people must oftentimes use the negative approach for the sake of customer service and operational expense. For instance, what would happen to customer service should we attempt to exercise positive control in authorizing, to say nothing of the increased expense to maintain positive control? The larger the operation, the more we find that certain functions can best be handled from the negative approach.

Credit reporting agencies have a good opportunity to capitalize on the negative approach, and recent trends show that it is being done. If all credit granters reported past-due accounts promptly and automatically, much detail work could be eliminated in both store and bureau reporting. One copy of the snap-out carbon forms furnished by some bureaus serves to notify the customer that reporting of the account is necessary; the duplicate is automatically sent to the bureau for recording in the customer's history file. Simple, isn't it? A notice to the customer and a report to the bureau in one operation.

If, as a credit granter, you were told by the bureau that customer X was a resident of city X for a number of years and no past-due accounts had been reported, and you knew that all bureau members were cooperating in such a program, how many times would additional information be needed to extend credit? The savings in costs and expediency would accrue to the granter through such cooperation in addition to the benefits of a better collection percentage.

By no means should we think negatively toward the

information but not too much. Mailing lists and sources of new prospects are abundant in almost any town or city for the finding.

Published figures are available in most trade papers and magazine articles indicating the average annual purchases of accounts which, of course, varies by the type merchandise sold.

It is a must, therefore, to include an exhibit for the report to the management, emphasizing the total accounts secured through such extra effort. By extra effort is meant any other than the eight sources suggested above.

Assuming that a particular line of business indicates the customer average purchase of say \$100.00 a year. Take the total of such accounts, as an example, one hundred accounts times \$100.00 average purchases would amount to \$10,000.00 increased sales annually. If systematically and efficiently operated, this should be accomplished from year to year.

In department stores, the best available data indicate the life of the average account to be about five years. Therefore, in the above example, sales volume for accounts obtained this year would remain about constant at about \$10,000.00 per year on a five-year period. With aggressive effort new business may be had each year



customer, but by using a negative approach toward some credit functions, credit service and costs can be improved. The customer requires positive attention, because he is the most important part of any retail business; positive attention to his shopping convenience, making credit services available with the minimum amount of effort on his part, and a positive attitude toward appreciation of prompt payment of bills. In other words, take a negative approach to routine matters for a positive approach to better customer service. ★★★

which, added to the prior year's figures, may reach a substantial figure over a few years. These are the facts that can be accurately determined and pointed out in exhibit form.

The detailed procedure perhaps requires some suggestion as to simplified method in summarizing volume of plus sales. A small stock card typed with minimum expense and effort by the stenographer at the time she notifies the customer the account has been approved. The small card would contain only name, address, and code number. This code number would be placed on the account at the time approved and put on the card to indicate the source of the account. These cards then may be filed for later research to obtain usage, sales volume, etc. for the future exhibits.

Of course, it may be assumed that not all accounts put on records will be used. This is a challenge to the charge sales manager to increase the usage to the highest per cent possible. Of the exhibits discussed, perhaps none will prove more valuable to the charge sales manager, in his own advancement with the company, than to definitely point out the increased sales volume obtained through his own effort and ability. *It is such ability that top management is ready to reward.* ★★★

EXHIBITORS, INTERNATIONAL CONSUMER CREDIT



1—Remington Rand Inc.

2—Remington Rand Inc.

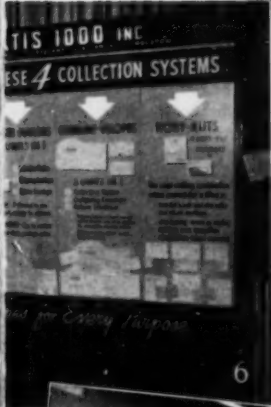
3—Farrington Manufacturing Company

4—TelAutograph Corporation

5—Addressograph-Multigraph Corporation

6—Curtis 1000 Inc.

CONFERENCE, NEW ORLEANS, JUNE 22-25, 1953



- 7—American Automatic Typewriter Company
- 8—Underwood Corporation
- 9—Recordak Corporation

- 10—Burroughs Corporation
- 11—Signal Credit Corporation

Our Credit Problems

J. E. WILLIS, JR., *Credit Sales Manager, Arthur A. Everts Company, Dallas, Texas*

I AM A great believer in that old adage—"There's nothing new under the Sun." The problems we face today have been faced by credit sales managers since the inception of credit. There has been an extensive study made of these problems, however, and we now have new and modern methods of dealing with them. But the basic problems are still there. Let us take a look at some of the things that have been problems to us in the past and see what improvements have been made in the handling of them.

The first problem we face today is that of increasing our charge-sales volume. Although gross margin has a lot to do with profits, we must have that large volume of sales if we make a good net. Is this something new? It is not new, for our forefathers were faced with this years ago, and each generation since and each future generation will have this as a problem to confront them. We of this modern age are fortunate, for we have the benefits of modern methods to help us increase our charge-sales volume. If we were to have taken from us the telephone, the Welcome Wagon, our newspapers, the radio, television, and direct mail, think what our problem would be. In the days of old, our forefathers worked for this self-same sales volume through service alone, and even then, with little competition, it was still a problem.

Today, with all of the modern methods we have at our disposal, we still find that our every effort must be exerted if we are to maintain a high volume of charge sales. Not only is the competition keen from other jewelry firms, but from all firms selling luxury items. We find today that the individual luxury dollar has to

be stretched to cover payments for many items. The jeweler is now competing with television, with dishwashers, garbage disposals, and many new gadgets now being introduced to the market every day. "There's nothing new under the Sun," and this age-old problem is just being attacked in a new manner.

Now comes the age-old collection problem. Since the first charge was made at the beginning of time, collections have presented a major problem. We have spent thousands of dollars and expended a great amount of effort to get those new customers and to increase our charge-sales volume. They have purchased and these charges are now on our books. What do we do now? Naturally we collect for the items that have been sold in order that we might have a turnover and purchase more merchandise.

In days of old, when farming was the principal industry of the land, merchants had to wait until the crops were harvested to collect their money. If the crops failed or the yield was not so plentiful, there came that inevitable collection problem. We still have and will have until the end of time, those people who cannot, or *will not* pay their just and honest debts. These are the people who cause us endless worry and sleepless nights, for it is up to us as collectors to find solutions to the problems their cases represent.

Our forefathers used every trick of the trade in collecting these accounts, showing leniency where deserved and placing pressure on those who needed pressure applied. In our day and time we do the same thing. If we feel that a customer has a good reason, not just an excuse, for his failure to pay his account, we will do everything possible to work out a solution for his problem. On the other hand, if he had no valid reason for nonpayment we will do everything possible to force collection.

The tools we have at hand today are so many, so varied, and so forceful it is difficult to see how anyone can escape payments of his just debts. You use these as I do: direct mail, the telephone, telegrams, collection bureaus, outside collectors and attorneys. It does seem that we have the means to collect any account that might become overly troublesome. Yet, with all these things at our command, we still have collection problems for we still have accounts that are never paid! So "There's nothing new under the Sun" again, for *collection problems* have been ever present since the beginning of time.

Cycle billing, our latest billing procedure devised, is not really new. True, the method is new and improved, but the principle goes back for years and years. The corner grocer used a crude form of cycle billing thirty years ago, for in his store he had a board with a nail on it for each customer. When a purchase was made the grocer simply took the customer's ticket, stuck it on that particular nail and when he wanted his money he pulled the ticket, added up the total and mailed it to his customer, hoping for the best. This was cycle billing in its infancy.

These problems and many others confront us every day and they are not new and they should cause us no undue alarm. These are expected problems. The thing that



Instalment Financing Trends

JOHN W. STOVALL, Vice President, Republic National Bank, Dallas, Texas

PRODUCTION of consumer goods is at an all-time high, especially in automobiles, television sets, room air conditioners and white goods. This season in the Southwest has proved to be a record breaking sales year in all of the above products. Inventory of goods in the hands of the manufacturers, distributors, and retail stores has soared, and pressure for the relaxing of down payment requirements and length of pay-out of notes is increasing. A few of the lenders on this type of financing have yielded to dealer demands and have accepted notes with final maturity of 30 months on appliances, and up to 42 or 46 months on automobiles. The consensus of thinking, however, on the part of a great majority of lenders, not only in the Southwest but in all sections of the country, indicates that this is the time to review and revise the amount of cash required at the time of sale and the number of payments required to liquidate the balance.

In the light of recent experience, several problems are presented that require careful examination and consideration to establish lending policies that will be of greatest benefit to lenders and dealers alike for the long-range outlook. These problems are: (1) Down payments and terms on automobiles, (2) Down payments and terms on appliances, and (3) Close attention to past due accounts and collection follow-up. It is assumed that lenders are already screening their credit risks more carefully and this phase of credit-granting is passed over for this reason. A brief discussion of each of the above three problems follows:

Automobile financing is at an all-time peak. The outlook for the next quarter tends to show more than average decline in used car prices and, for that reason, the banks and finance companies are watching closely the following:

1. The owner's equity (down payment) is sufficient to offset the abnormal price decline in used cars.
2. More careful selection of credit risks.
3. Number of months note to run based on age of car.
4. Full one-third down payment on all new automobiles with down payments increased as older cars are offered as security.
5. The elimination of notes where payoff is longer than 24 months.

should cause us alarm is the training of competent personnel to handle these everyday problems. This, to me, is an alarming problem, for the constant turnover we have in our credit and bookkeeping departments presents a problem far greater than anything we have discussed thus far. We must have personnel who know how to handle people; who know how to arrange credit terms to fit our store policy and yet satisfy the customer; and who can give that doubtful sale the final push that makes the customer say "Yes." So they must have engaging personalities, pleasant manners, and each with an attitude of helpfulness that makes the customer feel that his is the only sale in which such keen interest is felt. They must have the ability to sell while collecting and collect while selling. This trained personnel can be found and our job is to find them for "There's nothing new under the Sun." ***

With the annual new car production nearing the seven million unit rate, it is essential that stocks of cars of both new and used car dealers be carefully watched. Where the "rule of thumb" formerly was that the automobile dealer would dispose of cars within sixty days, it is now the accepted fact that cars should not be kept on the dealer's lot longer than two or three weeks. Let it be emphasized that prudent lenders are not cutting off automobile financing, but are being more selective in their risks, watching the financed balances much more closely and limiting the pay-out to a maximum of 24 months.

Down payments on appliances have been the subject of serious thought and discussion. It has long been realized that with a 10 per cent initial or down payment, the owner's equity is non-existent. As an illustration, a television set that retails for \$200.00 requires an antenna installation of \$35.00 and an owner's service policy and warranty costing \$45.00. The total amount involved in placing the set in a home would be \$285.00 in this case. The down payment of \$28.50 would leave a financed balance of \$256.50, or \$56.50 in excess of the price of the machine. Since there is no recovery of the antenna or service policy fee, it is evident that this 10 per cent down payment is insufficient. Terms of 20 per cent initial payment, or 10 per cent *plus* the installation charges have been suggested to replace the present 10 per cent of the total cost. Other recommendations call for 20 per cent down with 24 months to pay the balance, 15 per cent down with note to run 18 months, or 10 per

(Turn to "Financing Trends," page 21.)



Top Management Says...

Alfred T. Woodward, Secretary-Treasurer, The United States Shoe Corporation, Cincinnati, Ohio:

"While I personally have never had any retail credit experience, nevertheless, the principles of credit granting are much the same whether one is engaged in the manufacturing, wholesaling or retailing field. I hope, therefore, that my remarks, drawn from a long experience in the manufacturing and sale of women's shoes on a credit basis, may have some worth-while application to the problems and thinking of your readers.

"The top management of this business, with which I have been associated for many years, has always placed a proper and very high valuation on the importance of credit work, and that function is on an equal plane with production, sales, advertising and other key departments of our organization.

"The credit department is in full control of what is, at certain seasons at least, the largest single asset of the business. In fact, at times, our accounts receivable have been equal to all the other assets of the business—that is inventory, cash and plant—combined. Such a responsibility cannot be considered as of anything but major importance.

"No matter how select your list of customers may be, a business must grow, as to stand still is the forerunner of a decline. It is, therefore, necessary to constantly add new customers to augment and at times replace those already on the books. Many such new accounts are men or firms who are new in business, who need guidance and encouragement and a full degree of cooperation. The same need is present with many established dealers.

"No department in business is better qualified to offer this new customer, or the old one, what he needs than a sales-minded and sympathetic credit department. By training and experience the modern credit manager has a thorough and all-around knowledge of those matters which most vitally concern the ability of the customer to pay—be he a mercantile buyer or an individual. He is familiar with budgets, with merchandising and with the requirements of the business in which his customer is engaged.

"Just as an individual goes to his doctor for a check-up or a prescription, so do the customers of the house go to the credit manager for advice and help, and this includes, very frequently, some of the very best names on the books.

"Through this means, and by sympathetic and friendly understanding and cooperation, the credit department becomes a builder of better customers and of better customer relations. It becomes a *positive and forward-looking* department of the business and can attain a very high ranking with top management.

"More so than any other department or function of a business, the credit department has an ethical quality to its work. It can accomplish an outstanding job of business building for the house, but over and beyond that it can really affect the lives of many people and make this

world, so far as they are concerned, a better and an easier place in which to live.

"In this way, a good credit manager and his staff acquire much in compensation that cannot be measured in dollars and cents.

"It seems to me, therefore, if one has faith in human nature, with an urge to be helpful to his neighbor, as well as to himself, that the credit field, in any of its phases, offers a real opportunity.

"If you are at all inclined to be analytical, if you are friendly and patient, resourceful and tactful, then in the credit field is your great opportunity for a work that is lucrative, productive, interesting, and definitely worth while."

Harold W. Brightman, President, Lit Brothers, Philadelphia, Pennsylvania:

"Retailing directly employs over eight million people in the United States and stands high on the list of the number of people employed in any one industry. All retail sales for 1952 amounted to over \$164 billion. A substantial volume of all retail sales, estimated by some to be in excess of 50 per cent, is carried on through the medium of credit. This makes credit in retailing an important segment of our national economy.

"The responsibility for credit sales is everybody's job, but it is the particular job of the credit manager to see that the greatest customer satisfaction to the greatest number comes from the credit operation, at the same time that his employer's interests are amply safeguarded. If we look on the credit department in this light we can add materially to the sales volume.

"Some are inclined to view the credit department's exclusive responsibility the production of the smallest possible percentage of losses on whatever the credit volume of sales happens to be. Of course, the fact that credit involves risk cannot be minimized. We must always recognize that there must be an intelligent appraisal of the customer's credit standing. With this appraisal, however, comes the opportunity to talk to the customer, to become familiar with the individual's problems, to know the reason for the temporary delinquencies and to be helpful in the re-establishment of good credit records, and to use the credit function as a vehicle for substantial plus volume and profits. In other words, *the major responsibility of a progressive and enlightened credit manager should be to produce substantial good will and substantial plus volume with relatively low risk of credit losses in the building of good will for the business.*

"I repeat, the job of a credit manager has much to do with employee and customer relations, as well as with the appraisal and selection of credit risks and limits. Instead of this job being a mechanical process for punching holes in sales, it should be a job with human interest in every potential customer. It is a job that presents opportunities which are not recognized by many of our

young men and women who are about to seek a profession in life.

"Many careers involve personal sacrifices, long hours, few holidays, and periods of lengthy apprenticeship. A career in the credit field is no exception. In credit, however, there is a foundation for a life of service which cannot be overlooked as a continual opportunity to broaden one's vision, knowledge, and friendships. The day of the grumpy credit executive has long passed. Today, he must be helpful and understanding. This, of course, does not mean that all requests can be met with approval. That would make him the open target for the sharpshooters to aim at; but it does mean there can be a graciousness which should go with those particular instances where requests cannot be granted. And, as in all professions, the laws of common sense and good judgment must at times overrule the regulations and normal procedures.

"Sales to credit customers can be greatly increased by actively soliciting all kinds of additional business. *With the full application of the many modern techniques of sales promotion, no list of customers presents a more fitting opportunity for plus business than the credit department records.* The credit department thus can become a focal point about which can be built increased good will and increased sales.

"Finally, the credit manager has the duty of continually training and explaining. He must soundly build his own department and constantly supervise it to prevent little cracks in the wall which present the possibility of weakening his efforts. He must familiarize all of his co-workers with the fact that the credit department is a service department and as such must offer customers who are seeking credit a sympathetic ear, a helping hand; and he must train all his people to build up a reputation for willingness not only to be helpful, but also to do the more difficult assignments without the beating of drums and the blowing of bugles.

"The management of a successful credit department presents both a real opportunity and a genuine challenge to all who are seeking one of the most interesting of professions." ★★★

● "Financing Trends" ●

(Begins on page 19.) ●

cent down with balance paid in 12 months. The primary consideration involved in either case is to have the purchaser establish an equity either through a larger down payment or a faster pay-out of the balance. This equity will tend to encourage the borrower to pay off the note to avoid the loss of his equity and will protect the lender in case of repossession.

Follow up on past due accounts is mandatory by granters of retail credit whether it be a department store, bank or other business. The principal difference in various lines of business is the timing of notices, letters, and personal contacts. By "timing" is meant the spacing of the notices or contacts and the lag of the first contact after maturity of the payment. It would be permissible for a department store, as an illustration, to send its first notice 15 to 30 days after due date and space its subsequent notices or contacts 10 to 15 days apart. A bank, on the

WRITE FOR LOW-COST TEST-PLAN

26th success-year with Hecht's; Foley's; Jordan Marsh; May Co.; and other top stores, large and small.

For one Akron store, our unique mids.-fashion approach opened

11,000 NEW ACTIVE ACCTS.

for **50¢** each

3000 New Accts. opened for Goerke's, N. J. bought during the first year alone **\$301,000**

WE REVIVE 50% to 70% INACTIVES

3725 (50%) Inactives in famed Texas store bought within six months, at ½ cost **\$241,000**

Yes! Compare with any other way!

LESTER brozman COMPANY
160 FIFTH AVENUE, N. Y. C. 10

Carl A. Bimson Promoted

Carl A. Bimson, Executive Vice President, Valley National Bank, Phoenix, Arizona, has been elected President, according to an announcement by the Board of Directors. Mr. Bimson has been a member of the staff of the bank since 1933 and in 1936 was appointed manager of the instalment loan department. In 1939 he was promoted to assistant vice president and a year later was made a vice president. In 1941 he was elected to the board of directors and seven years later was transferred from the instalment loan department to the administrative staff. In 1949 he was named executive vice president. In 1940-1941 he was a member of the board of directors of the N.R.C.A.

—Position Wanted—

Will go anywhere in the United States and set up a Credit and Collection plan for your hospital. Twelve years' experience in Hospital Credit and Collection procedure. Four years of Credit Bureau experience. Box 8534, The CREDIT WORLD.

other hand, should have its initial reminder in the borrower's hands not later than 7 or 8 days after maturity of the payment, with subsequent contacts at intervals of from 7 to 9 days. A detailed follow-up policy should be set up and strictly adhered to at all times.

The delinquency ratio should be watched carefully. It will not only reflect the trend of current paying habits of your customers, but will give you an adequate picture of the efficacy of your collection personnel. Your collection division is the heart of your lending (or credit granting) activities. Close supervision is necessary and complete periodic reports of your past due situation are an absolute necessity. It is becoming more important as recent trends indicate slow pay habits are increasing.

As a wise man once said, "Never be hesitant to say 'thank you' and never apologize for asking for your money when payment is due." ★★★



★ Items of Interest From the NATION'S CAPITAL

JOHN P. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

State Department Conference of Nongovernmental Organizations—In response to an invitation from the Department of State, your Washington representative, at the request of General Manager-Treasurer, L. S. Crowder, attended the conference of nongovernmental organizations on U. S. foreign policy held June 4-5, 1953.

This particular conference is not something new in the Department of State. It has been held for four or five years for the purpose of keeping many organizations interested in foreign policy, or whose activities directly or indirectly involve or touch upon foreign problems, better informed than might otherwise be possible. It also provides a forum for the exchange of ideas from which State Department officials may benefit.

Business and trade organizations and associations, as indicated below, are taking an alert interest in foreign affairs problems, particularly those conducted by the specialized agencies of United Nations. Approximately 162 organizations were represented at the meeting. A large part of these organizations are directly concerned with foreign policy problems, such as the Foreign Policy Association, American Association for United Nations, etc. Other organizations are primarily of an educational, religious or patriotic nature, such as National Education Association, American Legion, National Conference of Christians and Jews, but have departments or activities directly concerned with foreign policy questions or problems.

Business or trade organizations such as the N.R.C.A. were in the minority. However, a representative group, including such well known national organizations as National Association of Manufacturers, American Petroleum Institute and National Retail Dry Goods Association, attended.

Business organizations for the most part may not have the same direct concern with foreign policy that others have. Nevertheless from an indirect standpoint their interests in the foreign field are vital and important. That this is so is attested by references in the address given by Senator Alexander Wiley, Republican of Wisconsin, at the National Press Club luncheon the first day of the conference, when he remarked on the importance in foreign policy of many fields of business. Of direct concern to members of N.R.C.A., Senator Wiley referred to the controls law, then before Congress, as an example of legislation in the domestic field having its bearing also on the world picture.

It would be impossible in a short report to attempt to cover the subjects presented and discussed at the various sessions, dealing with the major areas or segments of the world, and their principal critical problems. But there

was one common note voiced at each session as to each major segment, namely, the impact emanating from the Kremlin.

Generally speaking the program included a State Department specialist on each area, and there were other speakers who covered broadly the over-all picture on such matters as Mutual Security and United Nations. Secretary Dulles and, more briefly, Under-Secretary of State, General Walter Beddell Smith, spoke on general conditions faced by our country and other free nations. Former Governor Harold Stassen covered the Mutual Security program in great detail. Ex-Senator Lodge spoke on United Nations.

The second day of the conference was devoted to the same problems but an entirely different method of approach was used. With the general information received on the first day, as background, the second day was given over to discussion sessions before panels of experts. This included again the major geographical divisions, such as the Far East, Near East, Europe, etc., and discussions of particular fields of activity, such as technical cooperation, and United Nations. Each delegate selected and attended only two of these sessions.

The panel discussion on United Nations apparently was one of the most lively and controversial. Many of the questions put to this panel indicated at times a wide disparity of point of view—the extreme one-worlders-now versus the more conservative approach.

The representative of National Association of Real Estate Boards referred to a bulletin issued by the Department of Social Affairs of UN, reporting on the 19th Congress of the International Federation of Housing, held at Zurich in 1950. He pointed out that statements made at this meeting by the U. S. representative as to housing, were factually untrue. He suggested that U. S. representatives in the future canvass problems in the field of housing with leaders in the home building industry in order to avoid unsound theories and erroneous conclusions. And to follow the same procedure in all fields of American industry or business.

Subsequent inquiry into the background of this incident, alluded to by the representative of the National Association of Real Estate Boards, shows that the bulletin in question (No. 4, October, 1950) did in fact, referring to the Zurich meeting, state: "It was freely admitted that housing for the great mass of people is impossible today without some kind of state subsidy or public financial support . . ." And that, "in the United States . . . the materials and assembly methods used today in the building of small houses are essentially those standard a hundred years ago."

The development of this one small incident seemed to

"Building Sales"

(Beginning on page 13.)

ately said, "She really doesn't have a complaint. She's just that type of person." We overruled the decorator's opinion, to protect the house, looked into the matter and a minor adjustment on the rollers did the job correctly. We had a happy customer and a good active customer by following up that complaint closely. Never argue with the customer. This never actually solves any problem. Learn to be a good listener and get at the bottom of that complaint which might start with your delivery department. It could be the foreman in your shop, or a misunderstanding between your sales personnel and the customer. It could easily be in your office. When one cog in the wheel quits turning properly, everything can go wrong. It is money in our pocket to have a satisfied and happy customer, one who will return to our store for our services, and one who will heartily recommend us to Mrs. X who has just purchased a new home and will be in need of decorating services.

We have found that a satisfied customer, in the furniture field, is a good medium of advertising. When a complaint occurs we try to correct it immediately, as we feel the most important way to capitalize on a customer's complaint is to do something to correct it and do it right away. You have spent advertising dollars, sales expense and effort to produce sales so why throw it all out the window by an indifferent attitude? Get that customer satisfied quickly, if humanly possible. Do not sweep it under the rug, so to speak, do something about it now! Two wrongs never make a right, and the older a complaint becomes, the less chance you have of building sales from that complaint. Remember be just as prompt in taking care of a complaint as you were in securing the account. Just one unpleasant experience may keep that customer from returning to your store, or from ever using her account again.

Just because a customer airs a complaint, do not get the idea she is too fussy or too exacting, just give a vote of thanks to those customers who tell us about our shortcomings, use their disappointments and faultfinding as a means of doing a better job to build sales from complaints. ★★★

give personnel of the State Department, as well as representatives of organizations present, a feeling that this one matter justified everyone's time at this particular session.

Senator Wiley cautioned first against any "go in alone" doctrine. He strongly supported United Nations but at the same time approved of views expressed by Senator Taft "which reflect the sentiments of deep displeasure among many of the American people with regard to certain questionable actions and irritating inaction by our allies. I refer, for example," he said, "to the issue of trade and shipping with Communist China, a subject on which we, as Americans, have the strongest convictions."

Senator Wiley referred several times to the importance of getting all of the facts, and cautioned against "overnight experts" in the "difficult foreign policy field." And he warned against "concentrating too much on the dangers in one part of the world, failing to remember that the Communists are at work in all areas of the world." ★★★

WOOD'S RMAS*

The Friendly Personal

Door-to-Door

Solicitation Service

OFFERS YOU:

▶ A controlled number of new charge customers DAILY-WEEKLY-MONTHLY.

▶ A controlled number of new charge customers at a controlled cost.

▶ A controlled number of new charge customers from pre-selected areas.

▶ Daily reports on causes of customer satisfaction or dissatisfaction.

▶ A permanent, economical, practical program for continually increasing charge sales.

25 New Charge Customers

A Day Means \$625,000

A Year In Sales Volume



A. J. WOOD & COMPANY

1518 Walnut Street, Philadelphia 2, Pa.

*The Research Method of Account Solicitation

CREDIT FLASHES

Consumer Credit Data for May

Consumer instalment credit outstanding increased 429 million dollars during May to an estimated 20,085 million at the month-end. This expansion compares with increases of 577 million dollars in May of 1952, 43 million in 1951, and 392 million in 1950. Automobile paper continued to account for the major portion of the gain in total instalment credit, increasing 306 million dollars during the month. Other types of instalment credit experienced moderate increases. Financial institutions of all types and the major classes of retail outlets increased their total holdings of instalment credit during the month, although commercial banks and sales finance companies accounted for most of the total increases. Charge accounts outstanding increased 81 million dollars during May, a month when some expansion is customary.

For Sale

Elliott-Fisher billing machine, five years old, suitable for any type of retail store. Billing procedure has been changed and machine can be bought for fraction of original cost. H. G. Bennett, Lexington Credit Bureau, 200 Radio Bldg., Lexington, Ky.

Membership Drive at Spokane

The Spokane Retail Credit Association, Spokane, Washington, recently launched a membership drive and their goal was 100 new members. When the drive concluded the association had 130 new members. As all members of the Spokane Association are National members it meant that their total increased by 130 to 1,068, the second largest Association in the United States and the highest in Spokane's 41-year history.

Shown in the picture below is I. O. Coffman, second from right as he hands Louise Fritchie a sack containing 1,000 pennies. Miss Fritchie received the award for getting the 1,000th member to join the Association. Looking on are, left, Edwin F. Brandt, President of the Association and N. M. MacLeod, Secretary of the Association. Also honored were Arlene Tenneson who brought in 25 new members and Fred Dullanty who signed up 20 new members.



Help Wanted

Credit Manager for retail furniture store. Attractive salary to aggressive person who qualifies. Send details and references in first letter. Home Furniture Company, 316-18 Lackawanna Avenue, Scranton, Pennsylvania.

CREDIT MANAGER. Progressive department store wants credit manager experienced in all phases of credit, collections and billing. Southwest location. Salary to start, \$6,500.00. Real opportunity to advance. Box 8531, The CREDIT WORLD.

Annual Meeting at Springfield

The 38th annual dinner meeting of the Retail Credit Association of Springfield, Springfield, Mass., was held recently at the Hotel Highland, Springfield. Twenty-five past presidents of the association were invited to attend as honored guests by President Lee H. Morrill. Henry O. Holly, Principal, Monson High School, Monson, Mass., talked on the subject, "Your Responsibility to Your Community." The nominations and election committee announced the following had been elected to serve as directors for the next year: Raymond L. Barrett, Jr., Carlisle Hardware Co.; Donald H. Clark, West Springfield Trust Co.; Alfred E. Rowley, Springfield Institution for Savings; William F. Cawley, General Ice Cream Corp.; Richard E. Melander, Albert Steiger Co.; Joseph T. Spagna, Springfield Gas Light Co.; and Lee H. Morrill. At a meeting of the new board of directors held May 20, 1953, the following officers were elected: President, Raymond L. Barrett, Jr.; First Vice President, Donald H. Clark; Second Vice President, Alfred E. Rowley; and Secretary-Treasurer, George B. Allan, The Credit Bureau.

Charles J. Martin, Secretary-Manager, Credit Bureau Reports, New York, N. Y., represented the National Retail Credit Association in presenting certificates of Honorary Life Membership and Quarter Century Club of the N.R.C.A. Twenty-two members received the Honorary Life Membership awards and twenty-one members received certificates in the Quarter Century Club. Shown below is Mr. Martin presenting a Quarter Century Club certificate to Mrs. Dorothy D. Adams, Credit Manager, Haynes & Co.



Credit Manager Wanted

Splendid opportunity for promotion-minded credit man who is now doing an outstanding job in a department store. Both hard and soft lines. Top store in thriving midwestern city of 60,000. Old established. Medium priced to better merchandise. Complete responsibility. 8,000 active accounts. Excellent personnel. Air conditioned offices. State age, past experience in detail, compensation and reason for desiring change in first letter. Box 8533, The CREDIT WORLD.

Officers and Directors

Associated Credit Bureaus of America

The 1953-1954 officers and directors of the Associated Credit Bureaus of America are: President, Howard G. Chilton, Ft. Worth, Texas; Vice President, Walter Graff, Lansing, Mich.; Executive Vice President and Treasurer, Harold A. Wallace, St. Louis, Mo.; and Secretary, Otto H. Lanfersieck, St. Louis, Mo. Directors: John Althaus, Washington, D. C.; Ernest Yarbrough, Winston-Salem, N. C.; A. Lloyd Dye, Kansas City, Mo.; Donald H. Puffer, Denver, Colo.; J. A. Gross, Los Angeles, Calif.; J. D. MacEwan, Portland, Ore.; Bernard J. Duffy, St. Paul, Minn.; Gordon Gray, Cleveland, Ohio; Francis Smith, Salem, Ore.; Frank Edmonds, Johnson City, Tenn.; Fred A. Krieger, Milwaukee, Wis.; George P. Johns, Decatur, Ill.; Roy Dexter, Vancouver, Wash.; Sherman Harris, Houston, Texas; Francis Auger, Orlando, Fla.; Ralph B. Kearns, Wichita, Kan.; Harry P. Earl, Salt Lake City, Utah; Dale Boley, Kansas City, Mo.; Earl Riley, Bridgeport, Conn.; Ted E. Barger, Lincoln, Neb.; Jerry Harris, El Paso, Texas; and C. T. Beamán, Brantford, Ontario, Canada. The Collection Service Division selected Roy Dexter, Vancouver, Wash., as chairman, and Sherman Harris, Houston, Texas, as Vice Chairman. Fred S. Kreiger, Milwaukee, Wis., remains as Chairman of the Credit Bureau Division and George P. Johns, Decatur, Ill., as Vice-Chairman. John L. Spafford, St. Louis, Mo., continues as Assistant General Manager, and Carl Roewe, St. Louis, Mo., Divisional Director.

Officers and Directors

Credit Women's Breakfast Clubs of North America

At the annual business meeting of the Credit Women's Breakfast Clubs of North America, held at the St. Charles Hotel, New Orleans, Louisiana, June 24, 1953, the following officers were elected for 1953-1954: President



Mrs. Mabell Bliss

Mrs. Mabell Bliss, Frank A. Heitkemper, Inc., Portland, Ore.; First Vice President, Marjorie Girton, Queal Lumber Co., Des Moines, Iowa; Second Vice President, Mrs. Una M. Pearson, Pearson's, Fort Smith, Ark.; Recording Secretary, Rita Barnes, W. McPhillips, Ltd., London, Ontario, Canada; Corresponding Secretary, Gordis Hill, Mutual Loan Co., Portland, Ore.; Financial Secretary, Mrs. Darleen E. Crocker, Loring, Short & Harmon, Portland, Ore.; Treasurer, Mrs. Mary S. Morgan, The Clark Co., Houston, Texas; Educational Chairman, Mrs. Mary Geyer, Wilson Motors, Jackson, Tenn.; Nominating and Budget Chairman, Nelle Stombs, Eddie Gippert Motor Sales, Rock Island, Ill.; and Constitution and Bylaws Chairman, Mrs. Lois E. Huey, Austin Finance Co., Austin, Texas.

R. K. Pinger New Bureau Manager at Houston
Robert K. Pinger has been named manager of the Credit Bureau of Greater Houston, Houston, Texas, succeeding E. R. Truitt who resigned last year. Mr. Pinger has been assistant manager of the Credit Bureau of Kansas City since 1945 carrying the total responsibility of the bureau's operational and service functions.

Wanted to Buy

CREDIT BUREAU in Northern Alabama, 35,000 to 60,000 population. Box 8253, The CREDIT WORLD.

URGENT

REPLY-O-GRAM

TIMELY

NEW YORK CITY x27/19

TO CREDIT MANAGERS EVERYWHERE

OUR NEW TELEGRAM - STYLE COLLECTION NOTICE

IS JUST THE THING FOR YOUR 90 OR 120 DAY

DUNS. WILL GET YOU MORE COLLECTIONS QUICKER

AND AT LESS COST. ASK US FOR SAMPLES TODAY.

REPLY-O PRODUCTS CO. 7 CENTRAL PARK W., N.Y. 23

CREDIT DEPARTMENT

Letters

LEONARD BERRY

LAST MONTH we discussed the economies in departmental expense that can come from the use of informal printed notices and stickers in early stage collection work rather than sending costly filled-in form or personalized letters. This idea can also be carried over into other phases of credit department correspondence. Two of our illustrations this month prove that point. The credit sales promotion folder used by A. Harris Company, and the new account notification sent out by Reynolds-Penland Company, are excellent examples of dignified and effective communications.

It is to be noted, however, that no false economy has been made on the quality of the paper stock used or on the envelope in which the communication is mailed. That is an important consideration. Every once in a while we hear of expense-minded store officials decreeing economy in ways we think should not be made, such as using an inferior grade of paper, eliminating the cover on window-face envelopes, etc.

It is the labor part of the operation that costs the money and the personnel problem that forces short-cut procedures. And it is in the labor part of the procedure that our economies should be made, not in the quality.

It cannot be repeated too often that each piece of mail that leaves a store or firm is its ambassador. It represents the store and should therefore appropriately reflect the store's standards of quality.

There is plenty of room for wise cost reduction methods to be introduced but credit executives should resist penny-pinching economies where such might have an adverse effect on customer respect for the store.

The credit manager is perhaps closest to the customer of all store officials. His advice and counsel on cost reduction ideas should be sought so that their effect on the store's public relations be properly weighed.

This Month's Illustrations

All our letter illustrations this month are from stores and firms in the city of Dallas, Texas, the city to which this issue of *The CREDIT WORLD* is dedicated. W. C. Goodman, Credit Manager, Reynolds-Penland Company, newly elected Third Vice-President, National Retail Credit Association, went to considerable trouble to gather representative letters and forms for us. Indeed, he sent many more than we could possibly use at this time. However, those not used in this issue will be placed in our Letter Scrapbooks and used later. Our sincere appreciation is due Mr. Goodman for his splendid cooperation.

Illustration No. 1. Here is an outstanding letter from a store with a national reputation for doing things well. It is true that many of us are so preoccupied with our essential daily routine that we often overlook the tremendous good-will possibilities that exist in letters such as this. Stores depend for their success on these extra, and perhaps unexpected, customer courtesies and

thoughtfulnesses just as much as they do on fine build-ings and good merchandise. This letter combines a "thank you" with a credit sales promotion message in most skillful manner. Neiman-Marcus is well known for its good letters and this is no exception.

Illustration No. 2. Starting out a letter with a question as does this one is excellent letter writing technique. The reader is almost impelled to read the letter through. The opening vividly recalls experiences we have all had. Whatever can be done to make stores seem to be human and friendly adds to better public relations. This letter is commendably brief and warmly human. Hunt Grocery Company, widely and favorably known Dallas food store, reports good results with this inactive account letter, and it is easy to see why.

Illustration No. 3. Collection letter used by Volk Brothers Company after several routine notices and reminders have met with no success. The necessity for cooperation on the part of the customer in order to protect his credit standing is a good approach to a collection problem. The "write to us" alternative to sending remittance should bring a response from the debtor if payment is not immediately made and from that statement the future collection procedure can be determined. As an added inducement to reply an addressed envelope is enclosed. While many credit managers see no necessity for especially favoring a past-due customer by sending such an envelope, the fact remains that if it brings results the modest cost is amply justified.

Illustration No. 4. Paid-up Budget Accounts offer a fruitful source of additional credit business. Harris and Company send this attractive printed folder with the facsimile signature of F. C. Marth, Credit Manager, to budget plan customers who have paid their accounts as agreed. On the inside of the folder appear the items that may be purchased on the Budget Plan. These include Women's Wear, Men's and Boys' Wear, Fur Coats, Cloth Coats, Electrical Appliances and Home Furnishings.

Illustration No. 5. Here is shown an especially well-designed new account acceptance notification used by Reynolds-Penland Company. More and more credit executives are adopting this way of notifying new credit customers that their accounts are available for use. As a hand-addressed envelope is used, the total effect is most impressive as befits the importance of the communication. The fact that such printed notices actually cost less than filled-in form letters is a distinct advantage.

Members are urged to send us their letters and forms for possible use on this page. Share your ideas with others in our profession. We welcome credit letters and forms from all types of business.

Neiman-Marcus

DALLAS • TEXAS

July 6, 1953

Mr. John Doe
111 South Hill
Dallas, Texas

Dear Mr. Doe:

A friend suggested recently that too much correspondence from the Credit Office is directed to people who are slow in meeting their commitments and not enough expressing appreciation to those who pay their accounts promptly.

This note is to say "Thank you" for the promptness with which your commitments were met on the Special Account we were privileged to handle for you recently.

This Special Account is available for your purchases of furs, jewelry, suits, coats, and luggage priced \$50.00 or more, and items correspondingly priced in our Decorative Galleries on the Fourth Floor. We are hoping, Mr. Doe, that we may have the privilege of having another Special Account with you soon.

Sincerely yours,
NEUMAN-MARCUS

A. F. Sweeney
A. F. Sweeney
Credit Department

HUNT GROCER COMPANY
MEMBERSHIP CLUB
DALLAS

W. W. Whately
Vice President

July 6, 1953

Mrs. C. U. Sooner
1824 West Fourth Street
Dallas, Texas

Dear Mrs. Sooner:

Have you ever sent out invitations to a party and then waited anxiously for your guests to respond? Remember your delight when they said they would be "happy to attend". We feel very much the same way right now, waiting anxiously for you to again make active your charge account. We hope sincerely that this little letter will truly convey to you our most sincere desire to serve you.

The latch-string is out, 1045-5251 -- we're at home every day in the week, waiting for your call.

Cordially yours,

W. W. Whately

2101 ST. A. MIDLAND PARK & LICK CREEK



July 6, 1953

Mr. John Brown
1234 Main Street
Dallas, Texas

Dear Mr. Brown:

It is possible that the very friendly post due notice may not have reached you. Your credit is important. We will try hard to help you protect it if we have your full cooperation.

You will therefore want to send us your remittance or write a note on the bottom of this letter, explaining just what you can do to clear this balance of \$59.95, past due for charges on your February statement.

An addressed envelope is enclosed for your convenience.

Very truly yours,
VOLK BROTHERS COMPANY

**Budget
Kyp
Plan**

Is Happy to Open a Credit Account
FOR YOU
AND
WALLOWS THE OPPORTUNITY TO SERVE YOU
AS ONE OF OUR CHARGE CUSTOMERS
YOUR ACCOUNT IS AVAILABLE AT EITHER STORE
DEPARTMENT
AND IN EACH OF

Harris
F&B
DALLAS • TEXAS

In acknowledging receipt of the final payment on your Budget Account, for which we thank you, may we express our appreciation for the opportunity we have had in serving you.

In reviewing your account, we are impressed with the prompt manner in which your payments were made, and appreciate the care that was exercised to make such an enviable record.

Since the HARRIS' BUDGET PLAN was instituted some years ago, thousands of our customers have used this plan, and we believe that this tremendous popularity is very largely brought about by the fact that we immediately endeavor to arrange the purchase plan to the customer's convenience, rather than asking the customer to rearrange their finances in line with some pre-conceived plan of our own.

Inside this folder you will find a list of items which can be purchased on the HARRIS' BUDGET PLAN. We hope that your experience with this plan will prompt you to give us another opportunity to serve you.

Very sincerely,

W. W. Whately
Secretary-Credit Manager



Officers and Directors

NATIONAL RETAIL CREDIT ASSOCIATION

Executive Offices, 375 Jackson Avenue

Saint Louis 5, Missouri

Officers, 1953-1954

President

HENRY C. ALEXANDER

Belk Brothers Company, Charlotte, North Carolina

First Vice-President

WILLIAM J. TATE

Charles Ogilvy, Limited, Ottawa, Ontario, Canada

Second Vice-President

KAA F. BLUE

Foundation Plan, Inc., New Orleans, Louisiana

Third Vice-President

WIMBERLY C. GOODMAN

Reynolds-Penland Company, Dallas, Texas

General Manager-Treasurer

L. S. CROWDER

375 Jackson Avenue, Saint Louis 5, Missouri

Assistant General Manager-Assistant Treasurer, Secretary

ARTHUR H. HERT

375 Jackson Avenue, Saint Louis 5, Missouri

Educational Director-Assistant Secretary

LEONARD BERRY

375 Jackson Avenue, Saint Louis 5, Missouri

Directors, 1953-1954

- *DEAN ASHBY The Fair, Fort Worth, Texas
- *E. K. BARNES First National Bank, Spokane, Washington
- *FRANK BATTY Retired, 85 Moraga Highway, Orinda, California
- *FRANKLIN BLACKSTONE Frank and Seder, Pittsburgh, Pennsylvania
- *MRS. MABEL BLISS Frank A. Heitkemper, Inc., Portland, Oregon
- HARLEY J. BOYLE The Crescent, Spokane, Washington
- F. R. BRUNSON Emery, Bird, Thayer, Kansas City, Missouri
- *HARRY L. BUNKER H. C. Capwell Company, Oakland, California
- *H. J. BURRIS Retired, 308 C Street, S.W., Bentonville, Arkansas
- ARTHUR K. CARMEL Industrial Bank of Schenectady, Schenectady, New York
- FOSTER R. CLOSE William Taylor Son and Company, Cleveland, Ohio
- *G. C. DRIVER Retired, 28552 Detroit Road, Westlake, Ohio
- J. H. FISHER Meier and Frank Company, Portland, Oregon
- *O. WILLARD FRIEDBERG American Trust Company, San Francisco, California
- CHARLES S. GALLAGHER Farmers Union Hardware, San Jose, California
- J. C. GILLILAND Pullman Trust and Savings Bank, Chicago, Illinois
- PHILIP GLEASON Saks Fifth Avenue, New York, New York
- ALEXANDER HARDING John H. Pray and Sons Company, Boston, Massachusetts
- H. D. JARVIS Burdine's, Miami, Florida
- *ERWIN KANT Retired, 2546 North First Street, Milwaukee, Wisconsin
- *L. M. KARPELES Burger-Phillips Company, Birmingham, Alabama
- A. S. KESBY Hardy and Hayos Company, Pittsburgh, Pennsylvania
- *LEOPOLD L. MEYER Meyer Brothers, Inc., Houston, Texas
- RUDY MOSS The Young Men's Shop, Jacksonville, Florida
- KENNETH OETZEL Boyd's, St. Louis, Missouri
- *EARL E. PADDON Lammert Furniture Company, St. Louis, Missouri
- ALTON D. PARTER Joe Heaton Company, Albuquerque, New Mexico
- *L. T. PEARSE 32 South Munn Avenue, East Orange, New Jersey
- CLIFTON M. PIKE Porteous, Mitchell and Braun Company, Portland, Maine
- *HUOH L. BEAGAN Cain-Sloan Company, Nashville, Tennessee
- *JOSEPH H. RIGGS Florida National Bank, Jacksonville, Florida
- ROBERT D. ROBERTS Union Oil Company, Los Angeles, California
- *J. GORDON ROSS Rochester Gas and Electric Company, Rochester, New York
- *ROBERT A. ROSS Neiman-Marcus, Dallas, Texas
- J. L. SANFORD Bishop-Parker Furniture Company, Montgomery, Alabama
- *RICHARD T. SCHATZ Washington Water Power Company, Spokane, Washington
- *ROYCE SEHNERT The Wichita Eagle, Wichita, Kansas
- LEWIS B. SKINNER William H. Roberts and Sons, Indianapolis, Indiana
- REX A. SMITH Ben Simon and Sons, Lincoln, Nebraska
- *NELLE STOMBS Eddie Gippert Motor Sales, Rock Island, Illinois
- R. R. THOMAS Shamrock Oil and Gas Corporation, Amarillo, Texas
- *MRS. CARRIE THOMPSON Gilmore Brothers, Kalamazoo, Michigan
- *RALPH W. WATSON Watson Company, Inc., Spokane, Washington
- *JOSEPH A. WHITE Harris Stores Company, Pittsburgh, Pennsylvania
- *CLARENCE E. WOLFINGER Lit Brothers, Philadelphia, Pennsylvania

*Past Presidents.

†Credit Women's Breakfast Clubs of North America.

Meet Your New National Officers

Elected at the Annual Conference of the N.R.C.A., New Orleans, La., June, 22-25, 1953



Henry C. Alexander

HENRY C. ALEXANDER, President, was born in Charlotte, North Carolina. His first business experience was with the tire manufacturing and automotive industry. He came to Belk Brothers, Charlotte, North Carolina, in 1935 as Credit Manager. He has served as President of the Charlotte Retail Credit Association, and two terms as President of District Three of the National Retail Credit Association. He is active in civic affairs and served eight years as a member of the County Board of Elections. He is a Past President of the Charlotte Little Theater and active participant in their productions. He is much in demand as a lecturer and after-dinner speaker. He is a Past Master of the Masonic Lodge, York Rite Mason, Shriner, and a member of the Presbyterian Church. His hobbies are golf, at which he claims he is the world's worst, the theater and public speaking.

Mr. Alexander is married and they have two children, Betty, a married daughter, and one son, Henry who is a doctor serving as a Resident physician, Veterans Hospital, Atlanta, Georgia. They have two grandsons and one granddaughter. Mr. and Mrs. Alexander reside at 2009 Dartmouth Place, Charlotte, North Carolina.



Kaa Frank Blue

KAA FRANK BLUE, Second Vice President, is a Hoosier by birth, grew up in Mississippi, and, after living in Washington, New York, London and Paris, found his way deeper into the South and settled in New Orleans, La. Although the head of Foundation Plan, Inc., since its organization 25 years ago, he has taken time to serve actively in many other organizations. He has been President of the New Orleans Retail Credit Association; District Four of the National Retail Credit Association; New Orleans Lenders Exchange; and of the predecessor of the Louisiana Association of Consumer Finance Companies. He is now President of the New Orleans Rotary Club and Secretary-Treasurer of the New Orleans Retailers Credit Bureau. He was the first President of the New Orleans Toastmasters Club. At our annual conference held in New Orleans last June he was a member of the program committee.

He states that his hobbies still are his grandchildren, and the growing of bananas in the patio back of his office; that the children are progressing nicely, but storms have destroyed the larger banana trees and delayed the crop. He and his wife Eulalie live at 4645 Music Street, New Orleans, in the Gentilly Terrace section.



William J. Tate

WILLIAM J. TATE, First Vice President, was born in Brockville, Ontario, Canada. He graduated from the Chesterville High School in 1928, secured his Chartered Accountant Degree in 1933 and continued preliminary studies for an actuary for two additional years. In 1935 he joined the Bryson Graham Company Ltd., Ottawa, Ontario, Canada, as Office Manager, later became Assistant Secretary-Treasurer and eventually Comptroller. In 1950 he joined Charles Ogilvy Ltd., Ottawa, as Comptroller and is now Assistant General Manager and Comptroller. He assisted in the formation of the Credit Granters' Association of Ottawa and became its inaugural President in 1943 and Director at large of the National Retail Credit Association in 1949-51. He has held various offices of the Credit Granters' Association of Canada, and is a Past President of that Association. In 1949-50 he was President of the Ottawa branch of the National Office Management Association.

Hunting and fishing rank high on his list of favorite sports, but dancing is one he rates tops for enjoyment. Mr. and Mrs. Tate live at 250 Irving Avenue, Ottawa, Ontario, Canada. They have two sons and one daughter.



W. C. Goodman

WIMBERLY C. GOODMAN, Third Vice President, was born in Marion County, Texas, and has lived in Dallas since 1911. He is Secretary and Credit Manager, Reynolds-Penland Company, Dallas, one of the leading men's clothing stores. He has been with the company for 21 years and prior to that was Credit Manager, Huey & Philp Hardware Company for over 16 years. He has been President of the Dallas Retail Credit Managers' Association, the Retail Credit Executives of Texas and a director of the National Retail Credit Association. He is a charter member and Past Master of Washington Lodge No. 1117, A. F. and A. M., and a member of the Oak Cliff Chapter R. A. M. He is a Knight Templar and member of the Dallas Commandery No. 6 and Past District Deputy Grand Master of the 14th District of Texas. He is a member of the Oak Cliff Council of R. and S. M. and Past President of the Masters and Wardens Association of the 14th District. He has been an active member of the First Baptist Church since 1914; is a Deacon and Director of an Adult Training Union as well as President of the Baraca Bible Class.

Mr. and Mrs. Goodman live at 331 S. Rosemont Avenue, Dallas. They have two sons and two daughters.

New Orleans Conference Notes

Resolution

National Retail Credit Education Week

WHEREAS, David K. Blair, Chairman, has reported that John R. Clark, a member of the Fort Worth Retail Credit Managers Association, Fort Worth, Texas, has suggested to the Educational Committee that the National Retail Credit Association conduct a "National Retail Credit Education Week," and

WHEREAS, the said Committee has outlined a plan for said Week which includes the participation of all affiliated local associations in which they "would arrange to have speakers appear before luncheon clubs and schools" and define the advantages of consumer credit; and "also to arrange for and provide spot announcements on radio or television," using as a basis therefor the N.R.C.A. credit educational pamphlet entitled "The Good Things of Life on Credit," and

WHEREAS, the practicability and usefulness of a credit educational plan of this character has been determined by this Association through its adoption of the Blackstone-Gaut resolutions of 1919 and 1920 for the inclusion of a "Pay Your Bills Promptly Day" in "Thrift Week" which later was successfully continued for some years as "Pay Your Bills Promptly Week"; and

WHEREAS, the National Office of this Association is prepared to co-operate fully with the Educational Committee and with all local affiliated Associations, be it

THEREFORE RESOLVED, that the National Retail Credit Association in Convention assembled recommends that its officers and directors shall arrange for and conduct a "National Retail Credit Education Week" prior to May, 1954.

1953-1954 Committees

President Alexander has made the following committee appointments for the ensuing year:

Finance

Charles D. Reno, *Chairman*, Scruggs, Vandervoort, Barney, St. Louis, Mo.; Hugh L. Reagan, The Cain-Sloan Co., Nashville, Tenn., and Earl E. Paddon, Lamert Furniture Co., St. Louis, Mo.

Legislative

Clarence E. Wolfinger, *Chairman*, Lit Brothers, Philadelphia, Penna.; John K. Althaus, Associated Retail Credit Men, Washington, D. C.; E. M. Arthur, Woodward & Lothrop, Washington, D. C.; Roscoe W. Reichard, Hecht & Co., Washington, D. C.; C. F. Roycroft, Credit Bureau of Baltimore, Baltimore, Md.; R. M. Severa, Credit Bureau of Greater New York, New York, N. Y.; J. P. Stedehouder, Central Charge Service, Washington, D. C.; and Ellis A. Epstein, Hochschild Kohn Co., Baltimore, Md.

Credit Bureau Relations

Charles D. Reno, Scruggs, Vandervoort, Barney, St. Louis, Mo.; and Kenneth Oetzel, Boyd's, St. Louis, Mo.

Credit Education

David K. Blair, *Chairman*, H. Liebes & Co., San Francisco, Calif.; Bernard Eyges, Leopold Morse Co., Boston, Mass.; Stannard M. Butler, *Schenectady Union-Star*, Schenectady, New York; H. D. Jarvis, Burdine's, Miami, Florida; John E. Zimmerman, Morris Kirschman & Co., New Orleans, La.; Ralph W. Matthews, Credit Bureau of Battle Creek, Battle Creek, Mich.; K. V. Steenson, Midwest Oil Co., Minneapolis, Minn.; Marion A. Leleu, Brown-Dunkin Co., Tulsa, Okla.; W. C. Goodman, Reynolds-Penland Co., Dallas, Texas; E. Bland Cresap, Credit Bureau of Colorado Springs, Colorado Springs, Colo.; W. G. Wiley, St. Paul and Tacoma Lumber Co., Tacoma, Wash.; O. L. Kinzer, Jack Davenport Typewriter Co., Bakersfield, Calif.; Charles H. Dicken, Gimbel Brothers, Philadelphia, Penna.; John D. Kemper, Marshall Field & Co., Chicago, Ill.; and Oliver L. Prentice, Island Tug and Barge Co., Victoria, British Columbia, Canada.

CREDIT WORLD

Alexander Harding, John H. Pray & Sons Co., Boston, Mass.; A. H. Glogoff, Goldberg's Department Store, Trenton, N. J.; C. E. Moorman, Credit Bureau of Jacksonville, Jacksonville, Florida; V. E. Svendsen, Leon Godchaux Co. Ltd., New Orleans, La.; Richard Herrick, Sterling-Linder-Davis, Cleveland, Ohio; M. E. Clark, George Innes Co., Wichita, Kan.; Dean Ashby, The Fair, Fort Worth, Texas; H. A. Thompson, Nuester Co., Denver Colo.; J. E. Lee, The Texas Co., Seattle, Wash.; R. D. Roberts, Union Oil Co., Los Angeles, Calif.; Robert L. Bruchey, The Hecht Co., Baltimore, Md.; Wallis G. Hocker, Chas. A. Stevens & Co., Chicago, Ill.; and Carl B. Flemington, Credit Bureau of Toronto, Toronto, Ontario, Canada.

Membership

C. M. Pike, Porteous, Mitchell & Braun, Portland, Maine; Charles Ott, Sattler's, Buffalo, N. Y.; H. P. Rabey, Savannah Gas Co., Savannah, Ga.; John L. Guyton, Mutual Savings Credit Union, Birmingham, Ala.; Harry W. McMillan, The Borden Co., Detroit, Mich.; J. V. Dufour, Northern States Power Co., St. Paul, Minn.; Elton L. Jordan, Oklahoma Gas & Electric Co., Fort Smith, Ark.; W. O. Perlick, Texas Bank and Trust Co., Dallas, Texas; Eldon L. Taylor, Glen Bros. Music Co., Salt Lake City, Utah; Hugh Tallent, Charles F. Berg, Inc., Portland, Ore.; W. H. Kleese, Columbia, Long Beach, Calif.; Mary Altizer, S. H. Heironomis Co., Roanoke, Va.; and Oscar Spletter, Niss Furniture Co., Milwaukee, Wis.

Research

Harley J. Boyle, *Chairman*, The Crescent, Spokane, Wash.; Wendell B. Romney, Z.C.M.I., Salt Lake City, Utah; J. H. Bergeron, Rubenstein's, New Orleans, La.; W. E. Ryan, Broadway Department Store, Los Angeles, Calif.; D. W. Bollman, Joseph Horne Co., Pittsburgh, Penna.; Herbert A. Baker, L. S. Ayres & Co., Indianapolis, Ind.; and Philip Gleason, Saks Fifth Avenue, New York, N. Y.

Mortgage Burning Ceremony at New Orleans

The "Surprise Announcement" by Clarence E. Wolfinger, Credit Manager, Lit Brothers, Philadelphia, Penna., and Past President, National Retail Credit Association, which appeared in our official program for the 39th Annual International Consumer Credit Conference held in New Orleans, La., June 22-25, 1953, was the burning of the mortgage on our office building at 375 Jackson Avenue, St. Louis, Mo. Mr. Wolfinger was selected as Master of Ceremonies since it was during his term of office that the building was erected and in addition he served as Chairman of the "Buy a Brick" campaign which resulted in contributions of \$11,386.29 to the building fund. Following is a summary of the amount received from the 630 contributors: Credit Associations, Credit Managers and Districts, \$6,483.79; Credit Bureaus and Credit Bureau Managers, \$2,130.00; Credit Women's Breakfast Clubs and Credit Women, \$850.50; and individuals and firms, \$1,922.00.

In his announcement, Mr. Wolfinger said, in part, "I have here in my pocket, a mortgage for \$26,000.00 dated April 17, 1951 on our new office building in St. Louis, Mo. The entire amount was paid two years later on April 14, 1953. We now own our building free of debt. The entire cost was \$74,509.70, of which \$11,386.29 was contributed by the members of the National Retail Credit Association; Credit Women's Breakfast Clubs of North America; Associated Credit Bureaus of America; local Credit Associations; local Credit Women's Breakfast Clubs; Districts of the National Retail Credit Association; Canadian members, Credit Bureaus and local Associations; and numerous individuals and friends. We will now go through with the ceremony of the burning of the mortgage."

Shown below is a picture taken during the actual burning of the mortgage. In the picture are the past presidents of the National Retail Credit Association who attended the conference. Shown, left to right, front row, are: Dean Ashby, 1948-1949, The Fair, Fort Worth, Texas; Earl E. Paddon, 1945-1946, Lammert Furniture Company, St. Louis, Mo.; Joseph H. Riggs, 1944-1945, Florida National Bank, Jacksonville, Florida; O. Willard Frieberg, 1952-1953, American Trust Company, San Francisco, Calif.; Clarence E. Wolfinger, 1950-1951; and Joseph A. White, 1943-1944, Harris Stores, Pittsburgh, Penna. Back row: Royce Sehnert, 1951-1952, *The Wichita Eagle*, Wichita, Kansas; Giles C. Driver, 1935-1936, Retired, Westlake, Ohio; Col. Franklin Blackstone, 1919-1920, Frank and Seder, Pittsburgh, Penna.; and L. S. Crowder, 1917-1918, National Retail Credit Association, St. Louis, Mo.

Next Annual Meeting

The 40th Annual International Consumer Credit Conference of the National Retail Credit Association, Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America will be held in the city of San Francisco, California, July 19-22, 1954.

All reservations for the Mark Hopkins Hotel and the Fairmont Hotel, the Conference Headquarters, should be sent to Frank T. Caldwell, General Manager, Retailers Credit Association of San Francisco, 15 Stockton Street, San Francisco 8, California. Mr. Caldwell has written an article regarding hotel rates which will appear in the September CREDIT WORLD. Reservations should be made as early as possible.



A MESSAGE FROM THE PRESIDENT

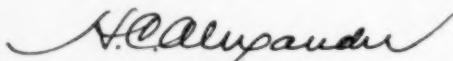
DURING the coming year the credit fraternity faces problems that perhaps will be the most crucial that it has ever been forced to meet. The action on the part of government to check inflation, to balance the national budget and to reduce to a very minimum the national spending, presents a situation that we must meet. To insure the continuation of our national prosperity, the nation's production must be maintained at a high peak. Employment must continue high. And with the prospects of less government spending, the slack must be taken up by the consumer.

This places an added responsibility on the retail industry. Where defense orders and government projects are reduced, retail sales must increase to offset. To fill this breach, the credit fraternity faces a real challenge. We realize that the wise and intelligent use of consumer credit has enabled the American citizen to reach a standard of living undreamed of in any other country in the world. It has permitted industry to develop mass production and through mass production has in turn reduced cost.

These things are vital to our economy. They are a vital part of our American way. They must be preserved if our system of economy is to continue. I am confident that we have the machinery, the know-how and the will to meet the challenge. The National Retail Credit Association, the Associated Credit Bureaus of America, the Collection Service Division and the Credit Women's Breakfast Clubs of North America are well organized and are founded on a solid basis. We have the tools to not only expand consumer credit but to control and guide it along sound paths.

May I urge every member of these organizations to pledge his or her support for the purpose of insuring the continuation of our national prosperity through the means of sound consumer credit; to strengthen the various credit groups from the local and state levels to the national; and to dedicate themselves to the proposition that theirs is a vital and important calling! I know that they will not fail.

I am deeply grateful of the great honor that has been conferred upon me. During the coming year I pledge you my best efforts toward serving you and the nation to better retail credit in all its phases. *I need and humbly solicit your support.*



President
National Retail Credit Association

ATTENTION . . . PHYSICIANS AND DENTISTS . . . HOSPITALS AND CLINICS
Reduce Your Credit Losses and Speed Up Your Collections with the New . . .

Physicians and Dentists Credit and Collection Manual

SEVEN CHAPTERS

CHAPTER 1—Something about Retail Credit

CHAPTER 4—Collection Procedures

CHAPTER 2—Securing and Interpreting Credit Information

CHAPTER 5—General Business Correspondence

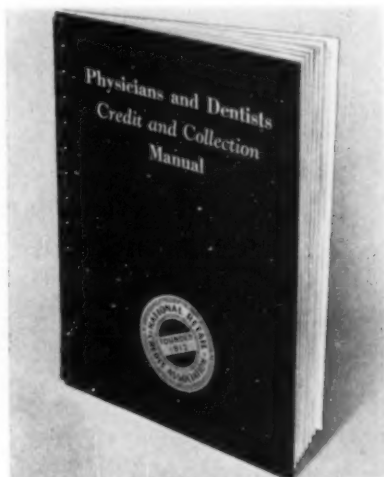
CHAPTER 3—Setting Up the Account and Billing

CHAPTER 6—Some Special Problems of the Professional Office

CHAPTER 7—You and Your Job

64 pages

Color-film
board cover



Printed on
offset paper

Plastic comb
binding

There is considerable room for improvement in medical and dental credit and collection procedures. Use of this MANUAL should result in increased earnings for medical and dental offices and also have an important bearing on the soundness of consumer credit generally. Approved by outstanding medical credit executives and includes many suggestions made by them. Written especially for the medical office assistant who has other duties in addition to responsibility for credit extension and collection of accounts.

**A PRACTICAL AND INDISPENSABLE HANDBOOK FOR THE GUIDANCE
OF THE OFFICE ASSISTANT—PRICE \$2.00 POSTPAID**

MAIL THIS COUPON TODAY

NATIONAL RETAIL CREDIT ASSOCIATION

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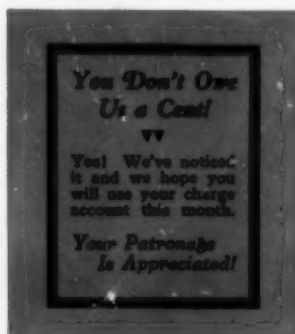
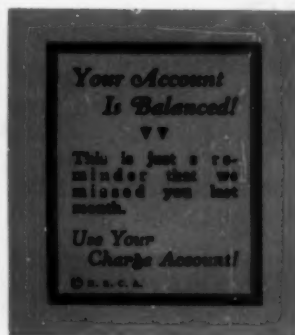
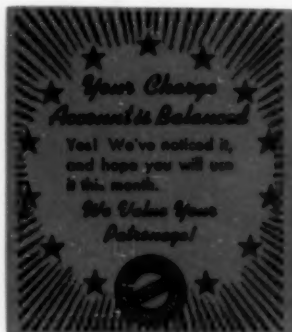
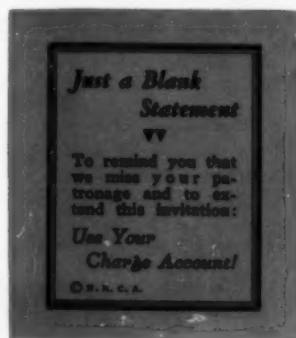
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